

Pamphlets on East India Company

VI-2

1812

P A P E R S
RESPECTING
THE NEGOCIATION
FOR
A RENEWAL
OF THE
EAST-INDIA COMPANY'S
Exclusive Privileges.

LONDON :
PRINTED, BY ORDER OF THE COURT OF DIRECTORS,
FOR THE
INFORMATION OF THE PROPRIETORS,
AND
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East-India Company, Leadenhall Street.

1812.

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Lincoln's Inn Fields.

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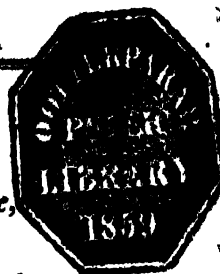
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No. I.

At a Secret Committee of Correspondence,

The 5th October 1808.



READ a letter from the Rt. Hon. Robert Dundas to the Chairs, dated the 30th September, desiring to ascertain the opinion of the Court, as to the propriety and expediency of bringing forward, in the next session of Parliament, the subject of renewing the Company's Charter.

The Committee having deliberated thereon, agreed on the substance of an answer, to be further considered at their next meeting.

No. II.

LETTER from the Rt. Hon. ROBERT DUNDAS to the CHAIRMAN and DEPUTY CHAIRMAN, noticed in the preceding Minute.

Gentlemen, *Melville Castle, 30th September, 1808.*

The propriety and expediency of applying to Parliament for a renewal of the privileges of exclusive trade enjoyed by the East-India Company, with such modifications as may be deemed necessary, and for the continuance of the system of government in the British Territories in India on its present basis, but with such amendments, also, as the experience of its effects may appear to demand, having lately been the subject of frequent consideration and discussion, you will probably concur with me in opinion, that it is advisable now to ascertain, whether the Court of Directors are desirous of agitating the question at present, and of submitting it, in all its details, to the early consideration of Parliament.

I have the honor to be, Gentlemen,

Your most obedient and humble servant,

(Signed) ROBERT DUNDAS.

To the Chairman and Deputy Chairman
of the East-India Company.

No. III.

At a Secret Committee of Correspondence,

The 12th October, 1808.

Agreed to the following draft of an answer to the letter of the 30th ultimo, from the Rt. Hon. Robert Dundas.

(Secret.)

Sir,

East-India House, 12th October, 1808.

We now propose to do ourselves the honour of replying to your letter of the 30th of last month.

From the communications we have at different times had with the Members of the Court of Directors, we are well assured it is the general sense of that body, that it will be for the interest of the Public and the Company, that the Charter should be early renewed. Convinced that this is their opinion, and apprehensive lest inconvenience might be produced, by setting this important subject afloat before it was in some degree matured, we have not thought it necessary formally to resort to the Court for a declaration of their judgment upon the question you are pleased to propose to us; but we have, in order to obtain what we conceive to be, with the knowledge we before possessed, sufficient warrant to us to give an answer to your preliminary enquiry, laid your letter before a Secret Committee of Correspondence: and we are authorized to state it to be their opinion, as it is our own, not only that the interests of the Public, as well as of the Company, will be best consulted, by continuing the present system of Indian administration, but that it is material the Charter should be speedily renewed.

With respect to any modifications which you or His Majesty's Government may have it in contemplation to propose, we shall be happy to be made acquainted with them, and to bring them under the most serious consideration of this House. We can at present only state, that we trust there will be no disposition to introduce any change, that would alter or weaken the main principles and substance of the present system, which, in the opinion of the Company, is essential to the due management and preservation of British India; and that, with respect to minor points, as far as they may be really compatible with

with those essential objects, the Court will not be influenced by any partial views to withhold from them the fair consideration due to them.

Glad that you have seen it proper to bring forward this weighty subject, and desirous to be favored with your further communications upon it, as soon as may suit your convenience,

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed) EDWARD PARRY,
CHARLES GRANT.

The Rt. Hon. Robert Dundas,
&c. &c. &c.

No. IV.

At a Secret Court of Directors, held on
Wednesday, 7th December, 1808.

The Chairman laid before the Court,
Minutes of a Secret Committee of Correspondence,
held the 5th October last;

Letter from the Rt. Hon. Robert Dundas to the Chairs,
dated the 30th September last, referred to in the Minutes
above-mentioned;

Minutes of a Secret Committee of Correspondence,
held the 12th October last; and

Draft of a Letter from the Chairs to Mr. Dundas, dated
the same day.

It was then, on a motion,

Resolved unanimously, That this Court approve the
proceedings of the Secret Committee of Correspondence,
of the 5th and 12th October, and the Letter to the
Rt. Hon. Robert Dundas, of the last-mentioned date.

No. V.

At a Secret Court of Directors, held on
Friday, 16th December, 1808.

Minutes of the 7th instant were read and approved.
Draft of a letter from the Chairman and Deputy to the
Rt.

Rt. Hon. Robert Dundas, offering some suggestions of a general nature, as the principal foundations on which a new agreement between the Public and the East-India Company may be placed, was read and unanimously approved, being as follows, viz.

Sir, *East-India House, 16th December, 1808.*

In consequence of a conference which we lately had the honor to hold with you, we have laid before the Court of Directors the letter which you were pleased to write to us, under date the 30th September last, on the subject of renewing the Company's Charter, together with the answer which we returned to that letter, on the 12th October following; and we are now instructed by the Court to state to you, that they approve of that answer, and are ready to enter with you, through the medium of their Committee of Correspondence, into a consideration of the various objects to which it may be proper to attend, in bringing forward so important a measure.

At the present moment it would, in the opinion of the Court, be premature in them, to proceed to any detailed specification of those objects, to which it may be proper, on the part of the Company, to attend, or to anticipate any discussions which it may be the wish of His Majesty's Ministers to propose; but the Court beg leave to offer some suggestions of a general nature, as the principal foundations on which a new agreement between the Public and the East-India Company may be placed.

1st, The system by which the Legislature has continued to the Company the government of the territories acquired by it in the East, with a regulated monopoly of the trade, has been held by the most eminent persons conversant with that quarter and its affairs, to be the most expedient, both for the foreign and domestic interests of this country. Under it, those territories have been improved, and the security and happiness of the vast population they contain have been signally increased. It is also a system which establishes salutary checks for the exercise of the authority lodged in this country over the Indian administration, and for all the local details of that administration, in its political, judicial, financial,

and

and commercial departments ; and provides with singular felicity for a succession of a body of able and honorable European servants, who yield in general character and utility to no class of public functionaries under the Empire. In like manner, the constitution of the Indian army has proved itself calculated to produce a body of officers of high military spirit, and of very distinguished skill and conduct. The Court, therefore, trust that no material change in this system ;—no change which would affect its principles or impair its efficiency, will be proposed.

2d. In this case, it will be unnecessary to enter into any discussion of the right of the Company to the territorial possessions ; a right which they hold to be clear, and must always maintain, as flowing from their acquisition of those territories, under due authority, and after long hazards and vicissitudes, and great expense.

3d. The situation of the Company is, at this time, very different from what it was at the last renewal of the Charter, in 1793. European war, with hardly any intermission, through the whole of the period that has since elapsed, has exceedingly increased the expenses, and reduced the profits of the Company at home ; and has likewise enlarged the scale of expenses abroad ; where, moreover, wars with the Native Powers have been repeatedly carried on, to the vast accumulation of the Indian debt, now advanced from eight millions sterling, at which it stood in 1793, to about thirty-two millions. Without meaning at all to advert, in this place, to the question concerning the policy of some of those wars with the Princes of India ; it is safe and proper to affirm, that they were not, in any degree, directed by the Executive Body of the Company, but proceeded from causes which that body could not control. As, in consequence of all the events which have happened since the year 1793, the benefits intended to the Proprietors of East-India Stock, by the Charter then passed, have not been realized ; so the Court trust, that in the formation of a new Charter, due care will be taken to secure their proper share of advantage in any future amelioration of the Company's affairs, and especially that no measure will be adopted, which can have the effect of reducing the value of their capital stock. The dividend on that stock, which is only equivalent

valent, to the legal interest of money, is all that the Proprietors have ever received from the united sources of Indian revenue and Indian commerce, whilst the country has been enriched by the long continued influx of private wealth, and raised in the scale of nations by the political importance of the Indian empire.

4th. The liquidation of the Indian debt is, on all hands, agreed to be a measure of indispensable necessity. From the magnitude to which the debt has now risen, and the circumstances of the present unexampled time, the aid of the Public will probably be necessary to the attainment of this most desirable object. For the aid that may thus be afforded, the Court conceive that sufficient means of reimbursement from the Indian territory and revenue may be found; and the arrangement of a plan, for these purposes, might, as the Court conceive, form a very material part of the provisions of the new Charter.

5th. To apportion duly between the Public and the Company the military expenses of the Indian empire, is another measure now become unavoidable. For wars growing out of the Indian system, or out of sources purely Indian, the revenues and other means of the Company were long made to suffice, including even the charges of occasional attacks upon the Indian settlements of European nations; but the influence of European war has, in the present protracted period of hostility, extended itself more and more to India, occasioning the expense of various distant expeditions, and the increase of the military establishment, particularly in the European troops of his Majesty, which from being twenty years ago only a very few regiments now amount to above twenty thousand men, and those of the most expensive description of troops composing the military force of British India: nor is it at all improbable, that from the avowed design of France to invade our Indian possessions with great armies by land, it may be necessary still largely to augment our European force in that quarter. For a war of this description the Indian revenues, if unincumbered with debt, would be very inadequate. It would be an European war for European objects; a struggle between Great-Britain and France, on the soil of India, for the maintenance and support of their power in Europe. For such an object, to which the national funds only are commensurate, the
national

national funds undoubtedly ought to provide; and as we know that, in this, we state only what your own mind has already perceived and approved, we the more confidently hope, that in a new Charter proper attention will be paid to the due regulation of so important a concern.

6th. As the early renewal of the Charter will serve to strengthen the hands of the Company in the transaction of their affairs, and improve their credit, so its renewal for the like period as the present one run, and from the time of its expiration, would conduce to the same ends; and the Court are not aware of any objection to the proposition of this term.

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed)

EDWARD PARRY,

The Rt. Hon. Robert Dundas,
&c. &c. &c.

CHARLES GRANT.

No. VI.

At a Secret Court of Directors, held on
Friday, the 13th January, 1809.

Letter from the Rt. Hon. Robert Dundas, dated the 28th December last, to the Chairman and Deputy, in reply to their letter of the 16th December, was read, viz.

Gentlemen, *Downing Street, 28th December 1808.*

In submitting to your consideration such observations as have occurred to me on your letter of the 16th instant, it is necessary that you should understand them to be merely preliminary, in contemplation of future discussions, and by no means as the result of any plan or projected system, matured in concert with His Majesty's confidential Servants. It will depend on the judgment which the Court of Directors may form on the propriety or necessity of adhering to the present system of their Indian trade and administration in all its parts, whether I shall be enabled to hold out to them any expectation, that their application to Parliament for a renewal of the Company's Charter will meet with the concurrence of Government.

I shall

I shall follow the order adopted in your letter, in respect to the subjects which you have particularly mentioned, and shall offer some additional remarks on any other important branches of the present system, in which alterations may probably be deemed indispensably necessary.

1st. Concurring in substance with the proposition contained in the first article, I shall not enlarge upon its details. I have not yet heard or read any arguments against the continuance of the system under which the British Possessions in India are governed, of sufficient weight to counterbalance the practical benefits which have been derived from it, in their increased and increasing prosperity, and the general security and happiness of their inhabitants. It is possible that the same effects might have been produced under a government immediately dependent on the Crown; but for the attainment of those objects, the experiment is, at least, unnecessary, and it might be attended with dangers to the Constitution of this Country, which, if they can be avoided, it would be unwise to encounter. Any alteration, therefore, which may be suggested in this part of the system, will probably be only in its details. It may, however, be deemed advisable, to extend the controlling authority of the Board of Commissioners to such proceedings of the Court of Directors in England, as are immediately connected with the government or revenues of the Company's territorial possessions in India, more especially if the suggestion contained in your fourth article should be adopted.

2d. In the view which I have already taken of the proposition contained in the preceding article, it is certainly unnecessary to discuss the question of the Company's right to the permanent possession of the British territories in India. It is impossible that this right should be relinquished on the part of the Public, or that a claim can be admitted on the part of the Company, to the extent which has sometimes been maintained, and to which you seem to have adverted in the second article.

3d. It is equally impossible to acquiesce in ~~all~~ the reasoning, though I am perfectly willing to concur in the conclusion deduced from it in the third article. I think it very desirable, that no measure should be adopted, in the renewal of the Charter, which would have the effect of reducing

reducing the value of the capital stock of the East India Company, and that due care should be taken to secure their proper share of advantage, in any future amelioration of their affairs; but as the law has regulated the mode in which those affairs, at home and abroad, should be administered, I cannot enter into the distinction which is stated in this article, and which I have met with on other occasions, as to the equitable claim of the Company to any remuneration from the Public, or other benefit, on account of wars, or other events which, as represented in your letter, did not originate in the Executive Body of the Company, but proceeded from causes which that Body could not controul."

It would be premature, in this stage of the discussion, to enter into any details, as to the proportion of benefit to be derived by the Company or the Public, respectively, from any future amelioration in the state of your finances; and any contingent expectation of that nature must, at all events, be postponed, till a large portion of the Indian debt has been discharged.

4th. The liquidation of that debt is undoubtedly a measure of indispensable necessity, not only to the Company but to the Public. If we were now called upon to discuss the right of the Public to the territorial revenues which have been obtained in India, either by cession or conquest, it would be impossible to relieve the question from the fair claims of the Company and their creditors to a reimbursement of the expences which have been incurred, and the discharge of the debts which have been contracted, in the acquisition and maintenance of those possessions. Entertaining that opinion, and convinced that the liquidation of the Indian debt, in the most speedy and effectual mode, would be a measure of mutual interest and advantage, I do not suppose that your suggestion in the fourth article would be objected to by Government, provided the necessity, or at least the expediency of such interference, on the part of the Public, is made obvious and apparent, and provided also, that sufficient security is afforded for the payment of the interest, and of an adequate sinking fund, for the liquidation of the principal, of any sum advanced for that purpose. I need not remind you, however, that any such aid from the Public will be unavailing, and the relief af-

forded by it will be temporary and delusive, unless by the zealous exertions of your Governments abroad, and the minute and detailed investigation and unremitting attention of the Court of Directors, the ordinary expenditure in India, including the interest of debt, shall be brought within the limit of your annual income. The most sanguine expectations of a result even more favorable, and of a large surplus revenue above your ordinary expences in time of peace, have recently been conveyed to you by Lord Minto; but I trust that the Court of Directors will not be induced by those hopes, however well founded, to relax in their exertions. Every item of those, or any other estimates, which the Court may exhibit, must be strictly scrutinized and compared with the actual results of former years, and with the detailed account of any reductions which may have been ordered or carried into effect.

5th. I can have no hesitation in acceding, with some limitations, to the principle for which you contend in your fifth article. It is absurd and unreasonable to suppose, that the East-India Company, out of their own revenues, can long maintain a contest against the power of France, aided by the greater part of Europe and a large portion of Asia. If the principal theatre of the war between European nations is to be transferred to Hindostan, it must be supported, to a considerable extent, by European resources; and if our empire in India is an object worth preserving, this country must contribute to its defence, against any attack of the description which we have been taught to expect. The extraordinary expences incurred in the necessary preparations for such a warfare, or in the actual contest, ought not, in justice, to be imposed as a burthen on the Company alone, even if they were able to sustain it.

6th. I am not aware of any reason for extending the duration of the Charter beyond such a limit, as, with the unexpired term, will be equal to the period granted in 1793; but I state this merely on the first consideration of the subject: and if the general question is to be discussed, I shall pay due attention to any suggestions which the Court may think it right to offer on that particular point.

Having thus adverted, at greater length perhaps than was necessary, to the various topics introduced into your letter,

letter, I shall proceed to state such observations as appear to me necessary to be submitted to the consideration of the Court of Directors, for the purpose of enabling them finally to decide, whether, under the circumstances of the present situation of the Company's affairs, and of the expectations which will probably be entertained by the public, and sanctioned by Government, they will adhere to their intention of applying now to Parliament for a renewal of the Company's Charter.

It will readily occur to the Court, that whenever an opportunity is afforded of deciding in Parliament on the propriety of continuing in the Company any privileges of a commercial nature, it will be important to consider, whether the system established by the Act of 1793, for the trade of private individuals between Britain and India, has answered the expectations, or fulfilled the intentions of the Legislature. It is wholly unnecessary for me, at present, to enter into any detail of the various discussions which have taken place on that subject. The arguments on both sides of the question must be familiar to the Court, and the opinions of those persons who have turned their attention to it, have, in all probability, been long since fixed and settled: it is fit, therefore, that the Court should now understand distinctly, that I cannot hold out to them the expectation, that His Majesty's Ministers will concur in an application to Parliament for a renewal of any privileges to the East-India Company, which will prevent British merchants and manufacturers from trading to and from India, and the other countries within the present limits of the Company's exclusive trade (the dominions of the Empire of China excepted), in ships and vessels hired or freighted by themselves, instead of being confined, as at present, to ships in the service of the Company, or licensed by the Court of Directors. In the detail of any legislative provisions which it might be expedient to enact on this subject, it would be absolutely necessary to guard against the abuses which would arise, from facilities thus afforded to persons attempting to settle and reside in the British territories, without a license from the Company, or without the sanction or knowledge of the local Governments.

There are various other points to which it would also be necessary to pay due attention, not only as being

important to the Company and to the general trade of the country, but essential to the security and easy collection of the public revenue. It would obviously, however, be premature, on this occasion, to enter into any further detail, and I have confined myself to a mere statement of the general proposition.

Another point, which would probably be deemed indispensable, is an alteration in the military system in India, for the removal of those jealousies and divisions, which have unfortunately been too prevalent, between the different branches of the military service in that quarter, and which must, at all times, be highly prejudicial to the public interest; and for the correction of the anomalous system of divided responsibility, which prevails at present in this country, in every thing that relates to the military defence of India. The only effectual remedy for these evils will, probably, be found in arrangements for consolidating your Indian army with the King's troops, founded upon the plan so strongly recommended by Lord Cornwallis, with such modifications as the actual constitution of your service may render expedient or necessary. These arrangements need not be attended with any alteration in the system of promotion now in operation among the officers of the native branch of the service, or with any diminution (they might more probably produce an increase) of any other professional advantages which those officers now enjoy; neither would they, in any degree, interfere with the general authority now possessed by the Court of Directors and the Governments in India over all His Majesty's forces serving in those parts, or with their control over all disbursements of a military nature. I am, moreover, not aware of any reason against continuing in the Court of Directors the nomination of all cadets, destined to hold commissions in the Indian army.

Having thus stated to you, for the consideration of the Court of Directors, the principal points to which I was desirous of drawing their attention upon this occasion, I have only to assure you, that it will be the earnest desire of His Majesty's Government to suggest to Parliament such a system only, as shall be conformable to the principles on which the regulations of 1734 and 1793 were founded, as will secure to this kingdom all the

the benefit that can practicably be derived from its trade with our possessions in India, and to the natives of those countries a government, and an administration of laws, suited to their customs, habits, and prejudices, and consistent with the British character, and which shall also be strong and efficient, without adding unnecessarily to the authority of the Executive Government at home, or increasing, to any dangerous extent, the influence of the Crown.

I have the honor to be, Gentlemen,
Your most obedient humble servant,
(Signed) ROBERT DUNDAS.

To the Chairman and Deputy Chairman
of the East-India Company.

Draft of a proposed letter, in reply, prepared by the Committee of Correspondence, was also read.

Resolved, That the said draft be taken into consideration on Tuesday next, the 17th instant.

No. VII.

*At a Secret Court of Directors, held on
Tuesday, 17th January, 1809.*

The draft of a proposed letter to Mr. Dundas, which was read the 13th instant, being again read;

Resolved unanimously, That this Court approve the said letter.

No. VIII.

LETTER from the Chairman and Deputy Chairman to the Rt. Hon. Robert Dundas, noticed in the preceding Minute.

Sir, *East-India House, 13th January 1809.*

The letter which you did us the honor to address to us, on the 28th of last month, on the important subject of a renewal of the Company's Charter, has received the most serious consideration of the Court of Directors, and we are, by their unanimous resolution, instructed to submit to you the following answer to it.

The

14. PAPERS RESPECTING THE RENEWAL OF

The Court having, in the letter which we had the honor to address to you on the 16th of last month, thought it sufficient to sketch the outlines of those principles and propositions which should, in their opinion, form the basis of a new Charter, and the reply you have been pleased to make to it, declaring the same intention of stating observations merely preliminary, and "not the result of any plan, or projected system, matured in concert with His Majesty's confidential Servants;" our present letter will abstain from any discussion of minor points, those especially relating to the proceedings of the Court of Directors with servants of the Company returned from India, to which article your letter is understood to allude; and likewise from some other points, connected with the exercise of their authority at home, which may be found to require revision and modification. Neither can it be necessary to go now into the subject of the Indian Expenditure, although it is impossible, after the notice taken of it in your letter, to omit saying, that the Court feel with the liveliest solicitude, how indispensable it is to reduce that article far below the income, and are determined to act accordingly.

The attention of the Court will, therefore, be confined, at present, to two propositions of the highest importance, contained in your letter; the one suggesting such an enlargement of the trade of individuals with British India, as shall admit into it indiscriminately the merchants and the ships of this country; and the other, the transfer of the Company's Indian army to His Majesty. If these propositions had not been accompanied by the declaration with which your letter concludes, they would have filled the Court with the deepest concern; but you are pleased to close the whole of your observations with an assurance, "that it will be the earnest desire of His Majesty's Government to suggest to Parliament such a system only, as shall be conformable to the principles on which the regulations of 1784 and 1793 were founded, as will secure to this kingdom all the benefit that can practicably be derived from its trade with our possessions in India, and to the natives of those countries a government and an administration of laws, suited to their customs, habits, and prejudices, and consistent with the British character, and which shall

“ shall also be strong and efficient, without adding unnecessarily to the authority of the Executive Government at home, or increasing, to any dangerous extent, the influence of the Crown.” Satisfied, by this declaration, that His Majesty’s Government understand the interests of this country and of British India too well, to intend any alteration that would subvert or endanger the system by which those vast possessions have been acquired, governed, and improved, and by which alone they can be held, to the mutual benefit of their immense population and of the paramount state, the Court must, of course, believe, that the propositions which have just been quoted, are supposed to be compatible with the continuance of that system, or reducible to a consistency with it. These suppositions the Court are now called upon to examine, and they will endeavour to do so with the respect due to the authority with which they have to treat, with the duty which they owe to their constituents, and with that regard for the interests of their country, which they do not intend, nor feel themselves required to sink, in supporting the integrity of the present Indian system.

If either of the two propositions, respecting the Indian trade and the Indian army, were to be acted upon, in the sense which the terms of it seem obviously to convey, the Court have no hesitation in declaring their decided conviction, that it would effectually supercede and destroy, not merely the rights of the East-India Company, but the system of Indian administration, established by the Acts of 1784 and 1793 ; and with respect to the latter proposition, for the transfer of the native army, it appears to be incapable of any modification, which would not still make the overthrow of the present system the certain consequence of it. The Court will take the liberty to state the reasons on which these opinions are founded, with as much fulness as the bounds of a letter, and the dispatch necessary at this period, will permit, premising only, that in the time and space to which they must now confine themselves, many things, belonging to the consideration of both subjects, must be omitted.

With respect to the Private Trade, the Company are not governed by narrow considerations of commercial profit or commercial jealousy ; and, in fact, the Indian trade,

trade, as an object of gain, has gradually ceased to be of importance either to the Company or to individuals.

The admission into it already accorded to British residents in India, with the prodigious increase of the cotton manufactures of Europe, the changed circumstances of the European Continent, and the almost incessant wars which have prevailed for the last sixteen years (wars still without any near prospect of termination) have reduced the value of that trade to a very low point. The Court are actuated by a thorough persuasion, that the unlimited freedom, for which some persons have, of late years, contended, would have political consequences more injurious to the power of this country and of British India, than the advantages anticipated by sanguine minds, from an enlargement of the commerce, could compensate, if those advantages were to be realized; and that, moreover, the expectation of such advantages is unfounded, resulting from general presumptions, which are contradicted by the nature of the Indian people, climate, and productions, and by the experience of more than two centuries.

In any scheme of intercourse, purely commercial, between this Country and India, the leading objects must be to export as many as possible of our home manufactures, and to import those commodities, which would either beneficially supply our own consumption, or the demand of other countries, European or Transatlantic: and it is, no doubt, imagined by many persons, that if the trade to India were perfectly free, these objects could be attained, in a degree extending far beyond its present scale. The ardour of individual enterprize, it will be thought, could find out channels, which the settled routine of a Company cannot explore, and carry on commercial operations more economically and expeditiously than suits with the habits of monopoly, whilst our most active rivals in the Indian trade would thus be best counteracted. The present times, it will also be said, peculiarly demand new attempts and discoveries in commerce, and His Majesty's Government may very naturally wish, at such a crisis, to procure for the country every possible facility for the exertion of its commercial spirit, and the employment of its commercial capital. But before a change in its principle altogether novel, and obviously connected with national interests of the highest

highest importance, is adopted, it ought to be seen, not only on what rational grounds the expectation of advantages entertained from it rests, but to what consequences so material a change might expose the country and its Indian dependencies.

Now, with respect to the benefits supposed to be derivable from opening the trade with India, it is, in the first place, to be observed, that no material enlargement, if any enlargement at all, is to be expected in the exports of our manufactures to that quarter. The records of the Company, for two centuries, are filled with accounts of their endeavours to extend the sale of British products in India, and of the little success which has attended them. The French, Dutch, and other European nations trading thither, have equally failed in introducing the manufactures of Europe there. This was not owing to their trading chiefly in the form of Companies; the Americans, who within the last twenty years have entered into the Indian commerce, and traded largely, not as a Company, but by numerous individuals, each pursuing his own scheme in his own way, in which course no part of the East is left unexplored, carry hardly any European manufactures thither, their chief article for the purchase of Indian goods being silver; and such has been the state of the trade from Europe to India since the time of the Romans. This state results from the nature of the Indian people; their climate, and their usages. The articles of first necessity their own country furnishes, more abundantly and more cheaply than it is possible for Europe to supply them. The labour of the great body of the common people only enables them to subsist on rice, and to wear a slight covering of cotton cloth; they, therefore, can purchase none of the superfluities we offer them. The comparatively few in better circumstances, restricted, like the rest, by numerous religious and civil customs, of which all are remarkably tenacious, find few of our commodities to their taste, and their climate, so dissimilar to ours, renders many of them unsuitable to their use; so that a commerce between them and us cannot proceed far upon the principle of supplying mutual wants. Hence, except woollens, in a very limited degree, for mantles in the cold season, and metals, on a scale also very limited, to be worked up by their

own artizans for the few utensils they need, hardly any of our staple commodities find a vent among the Indians; the other exports which Europe sends to India being chiefly consumed by the European population there, and some of the descendants of the early Portuguese settlers, all of whom, taken collectively, form but a small body, in view to any question of national commerce.

What is here said does not relate only to those parts of India where the Company have settlements or factories, but to all the shores that embrace the Indian Seas, from the Gulfs of Persia and Arabia to the Eastern Archipelago. Many advocates for a free trade may suppose, that in so vast a range, numerous positions, favorable for the vent of European commodities, are still unexplored; but they are not aware, that in the British settlements, which themselves extend on the west to Cambay, and on the east to China, there are a number of merchants, native and European, who carry on what is called the coasting trade of India, with great spirit, sending their ships to every mart, insular or continental, where any profitable commodities can be either sold or bought. At all those marts, European commodities have been tried by the enterprize of individuals. The little demand that has been found for them has been supplied; and residents, settled in India, can carry into such parts the trade in European commodities, which it is now open to them to receive from this country, with more facility and advantage than merchants settled in England.

To those facts and observations, arising from the nature and circumstances of the people and countries of India, one remarkable argument may be added, furnished by our own experience at home. In the Charter of 1793, provision was made for the export of British manufactures to India, by any individuals who might choose to embark in that trade. The Company were required to find them tonnage to a certain extent, which has always been allotted at a rate of freight cheaper outward, as well as for the returns, than the Company themselves pay, or, as the Court think, than private ships could furnish it. But, in all the time that has elapsed since, very few applications, and these to a small extent, have been made, for leave to export the woollens, metals, and other staples of this country, on private account, the chief applications having

having been for the freight of wine, for the consumption of Europeans: and this is not properly a British production, nor is it so much an increase in the trade, as a transfer of it to the private merchants from the commanders and officers of the Company's ships, part of whose advantage used to arise from being the carriers of this commodity.

All these circumstances, to which other corroborations might be added, the Court trust will fully evince, that the entire opening of the Indian trade to the merchants of this country, would not, in reality, extend in any considerable degree, if at all, the consumption of British manufactures.

Let it be inquired, in the next place, whether the adoption of so great a change in our Indian system, would be followed by the discovery of such new and valuable productions of the East, as would serve materially to augment the trade of this country with the Continents of Europe and America; for, with regard to the supply of our home consumption of Indian commodities, it cannot be asserted, that the importations already made by the Company and individuals do not abundantly suffice for it, or may not, at any time, be extended to the exigencies of the market; in which, it may be noted, that a preference is given to the cotton and silk manufactures of our own country, and to some of the tropical productions brought from our West-Indian Colonies. Nor can it be asserted, that new adventurers in the Eastern trade, fitting out from Great-Britain, could, with any profit to themselves, furnish the home consumption on cheaper terms than it is now supplied; for both the Company, and British individuals resident in India, must have an advantage over such adventurers in the provision of goods there (British residents in the freight also), and yet, of late, the great Indian staple of cotton piece goods has been a losing article in this country.

Now, as to the productions of India valuable for foreign commerce, the trade of Europeans, of different nations, to all parts of it, in the course of the last three centuries, may well be presumed to have left little for discovery in that way. The Portuguese, who, in their early time, spread themselves along all the shores of the East, explored every considerable part of it, and they were followed

by the Dutch, English, and French Companies, with their numerous establishments, some of which extended inland to the Upper India. But the modern European merchants, resident in the East, who have long been the chief navigators and adventurers in what is called the coasting trade, have become well acquainted with the commercial capacity of every region washed by the Indian Seas; so that many countries supposed here to be little known, because little visited by the ships of Europe, are familiar to them, and whatever articles those countries furnish, valuable for the commerce of the West, are already conveyed, through the medium of private or foreign trade, to Europe.

The chief commodities suited to the European market, which India has hitherto been found to produce, are spices, pepper, drugs, sugar, coffee, raw-silk, saltpetre, indigo, raw cotton, and above all, cotton manufactures of singular beauty and in endless variety. These last have, as already intimated, formed, from time immemorial, the grand staple of India; but from the rise and excellence of similar manufactures in Europe, particularly in our own country, and from the general impoverishment which wars and revolutions have brought upon the Continent of Europe, with the obstructions opposed, in much the greater part of it, to our commerce, the consumption of the fine fabricks of India has considerably decreased, and it is not likely that it can be restored to its former standard. Spices, sugar, and coffee, have been furnished chiefly from the Moluccas and Java, Dutch islands not in our possession, nor, in a commercial view, worth the expense of conquering and keeping them. The cinnamon of Ceylon, now ours, may be brought, in sufficient quantity for the supply of all Europe, in one or two of the Company's ships. Pepper is a very losing article. Sugar has been, of late, imported from our territories; but the necessary expense of conveyance from so great a distance, prevents it from being profitable, and it can be much encouraged only at the expense of our West-India colonies. Raw silk and indigo, now produced in great perfection in Bengal and its dependencies, have been brought to that state, by the expense incurred, and the support afforded by the Company. Both are articles occupying little

little space, in proportion to their value. The factories where the former is collected and prepared are in the hands of the Company, who have, in the course of many years, established them with great labour and expense. They can furnish not only all the raw-silk this country requires, but much for the consumption of the Continent, if it was possible to bring it there into competition with the raw-silk of Italy, and the tonnage already employed by the Company is quite sufficient for its importation from India. The indigo produced in Bengal and the adjacent Provinces is equal, probably, to three-fourths of the demand of all Europe, and may easily be raised to the whole demand; but the manufacture of this article is entirely, and the trade in it chiefly, in the hands of individuals, who need and require no shipping from this country, except what the Company provide, to convey to Europe, all that Europe can consume of it. Saltpetre, furnished only from Bengal, is, for political reasons, prohibited to foreigners, and exported exclusively in the ships of the Company: for the same reasons, it could never be prudent to allow the private ships of this country to carry it away at pleasure. Where then is the scope for the admission of new shipping and new adventurers, without limitation, into the trade of India with Great-Britain? In general, it may be observed, that the commodities which have hitherto come from that country, in a state prepared for use, such as the great staple of cotton piece goods, being articles of luxury, can have only a limited consumption, and that the demand for them could not be increased, at all in proportion to the number of new competitors that should enter into the trade. The same may be said of all kinds of spices and drugs, which, from their nature, have a limited consumption; and, with regard to the important articles of raw-silk and indigo, which require a further preparation before they are used, there is already abundant provision made for their importation, to the utmost extent of demand.

There remains then to be considered, of all the commodities above enumerated, only the raw material of cotton; and to this may be added another, of high importance, which India is in time likely to produce abundantly, namely, hemp. Now, with respect to the former

mer, of these, the Company have formerly imported it, and permitted private merchants to do so; but it was found, that the cotton of India could not enter into competition with that produced nearer home, in the Brazils, the West-Indies, and North America. Of late, since the interruption of our trade with the last mentioned country, the Company have themselves commissioned cotton from India, and have been willing to encourage individuals to export it from thence; but that it can support a competition with the cotton of Georgia, when the American embargo is taken off, or become an article of extensive demand in this country, supplied with it from so many nearer quarters, is not very likely. The culture of hemp in India is yet in its infancy. A change in the circumstances of Europe may check it; but if it is not checked, years must elapse, before the quantity produced can form a considerable article of exportation. And with regard to both these commodities of cotton and hemp, it is to be observed, first, that cargoes for Europe cannot be composed of them only, some other, more ponderous for its bulk, being necessary for dead weight, and sugar, almost the only article of this nature that India can supply, must generally be rather a losing one: secondly, it is to be observed, that the private ships ready to be employed in India, must be abundantly sufficient for the supply of all the tonnage that can be required for these articles, which could hardly absorb any very large amount of capital. Thus, then, it is also apparent, that the country and productions of India afford no new field of importance for the commercial enterprize of the merchants of Great Britain.

But were it indeed otherwise, where, in the present circumstances of the European Continent, could new commodities, imported into this country from India, find a vent, when many of those already made, and of articles which the Continent used to take off, remain in our warehouses? And hence may appear the inapplicability of that argument, which has sometimes been urged in favor of enlarging, or rather opening the Indian trade to individuals, "that they should be allowed to bring home *the surplus produce of India* which the Company did not require." There can be no room for additional

additional importations, when the ordinary scale proves too large. But in the use of this plausible plea, respecting *surplus produce*, there was always a great fallacy. It seemed to imply, that there was a stock of commodities in India which continually remained undisposed of, whereas nothing is more evident, than that the productions of any country will be regulated by the demand, and that no agriculturists or manufacturers will go on from year to year to produce that for which they have no sale. The term, as connected with the Company, might also convey the idea, that *they* were the only purchasers in the country; whereas, at that very time, British residents and foreign nations had the privilege of exporting goods to the western world, and there was a great coasting and internal trade from one part of India to another. But the argument for permitting individuals to export the surplus produce, included fully, though not professedly, the principle of transplanting British capital to India, in order to raise produce there; a principle which, it may be thought, this country has already carried sufficiently far in its other distant dependencies, and which could not be applied to India without political consequences.

But it has been alleged, that the refusal of the Company to make a concession, which appeared to them to be claimed on unsound premises, and to be pregnant with danger, threw that trade, which might have been brought into the Thames, into the hands of foreigners, particularly the Americans, whose great progress in the Indian trade, of late years, has been charged to an erroneous policy on the part of the Company. Nothing can be more mistaken than the whole of this statement. Several European nations having from the native sovereigns of India the right of possessing settlements and carrying on trade there, a right which we had confirmed, we could not interrupt the exercise of it whilst they remained at peace with us; nor, therefore, divert from them whatever portion of the trade their means enabled them to embrace. And, with respect to the Americans, they owe their advancement and success in the Indian trade to the treaty made with them by our Government in 1794, to the belligerent state of Europe since that time, and,

and, above all, to the neutral character they possessed, which enabled them to navigate more cheaply, more expeditiously, as well as more safely than our merchants or the Company could, and to supply many parts of the European Continent and of South America, to which our ships had no access. These, with the increase of the consumption of eastern commodities among themselves, are the true causes of the growth of the American trade with India; and even the abolition of the Company's privileges would not have transferred the share they acquired of it to our merchants, because it could not have lessened the advantages under which the Americans then carried it on, nor have gained us either the supply of their internal demand, or admission to many ports which were open to them. What the Company could do, in the way of regulation, to reduce the inequality between the American traders and our own merchants, you know, Sir, was effected, as soon after the expiration of the treaty of 1794 as His Majesty's Government thought expedient.

Among the speculations of the present day, the idea may perhaps be suggested, of carrying the productions of India directly to the ports of Portuguese and Spanish America; and eagerness for relief from the pressure which our commerce now feels, may be ready to make so great a sacrifice of the navigation laws. But such a measure would essentially exclude the mother country from being the medium and emporium of our Indian trade; and whilst it served to enrich India, rather than Britain, would facilitate the progress of the former to independence. If, however, so dangerous an innovation were not adopted into our commercial code, it is altogether probable that English ships, admitted without limitation into the Indian Seas, would take the liberty of sailing to those markets which would be thought the most promising; so that, in effect, the opening of the Indian trade would be not solely or chiefly for this country alone, but for other, perhaps for all parts of the world.

Having thus shown, that the opening of the Indian trade to the subjects of Great Britain could not materially increase, either the export of the manufactures of this country, or its commerce in the productions of India,
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it will next be proper to consider, what the effects of the proposed change would be upon the East-India Company and upon British India.

And, in the first place, it would, in substance and in form, entirely abolish the qualified monopoly which the Company still enjoys of the Indian trade. The admission of all private merchants, at their pleasure, and of their ships, into that trade, would make it as perfectly free as the trade to our American or West-Indian colonies. There would, as to India, be an end of all exclusive privilege of trade. This would not be any modification of the Act of 1793, but an essential departure from it. That act permitted only the export of British manufactures, and intended only to provide for the returns to them, and for the remittance, in goods, of British fortunes from India; both on the ships of the Company. The proposed measure must, in the nature of it, make the trade from India not merely a vehicle for the remittance of fortunes acquired there, or the produce of British manufactures, but a general trade; and what is a still more radical change, instead of a limited amount of tonnage not incompatible with the Company's system, it admits all ships, without any limitation, or option on the part of the Company: it throws all India open to those ships, and thus sets aside the Company from being the sole channel and medium of the trade, through their own shipping, or shipping engaged by them, which completely divests them of the last remnant of exclusive privilege in that trade.

It would be no argument to say, that in a trade, by which they now gain little, they might admit, without much sacrifice, the rest of the commercial world to share.

The loss of the Indian monopoly, such as it was left by the Act of 1793, would lead, by no slow process, to the entire subversion of the Company, both in their commercial and political capacity, and of that system which the Legislature has appointed for the government of British India, of which system the Company forms an integral and essential part.

If the Indian trade were thrown open, ships would, at first no doubt, swarm into it, and there would be a furious competition in the markets, both abroad and at home. Goods would be enhanced in cost there, as

well as deteriorated in quality: the selling prices at home, already too low, reduced still lower, and the market overstocked. This was the effect, in some measure, produced by throwing open the trade in the time of Oliver Cromwell, who, after the experience of a few years, revived the Company. The same effect followed from the collision of the Old and New Companies, in the beginning of the last century, which forced them to unite, and their union received the sanction of Government. It is not sufficient to say, on this head, that increased demand abroad will produce increased supply, and the diminished price of goods at home increase the sales, so that things will, at length, in both countries, find their due level. From the nature of the Indians and their division into castes, it is not so easy among them, as in Europe, to meet an increased demand by increased production; and it is still less easy, when they can subsist by furnishing things of low or ordinary quality, to make them aim at excellence, which the supposition of increased sales at home would require. But of such an increase, in the present and prospective state of the trade in Indian imports, enough has been above said to shew the improbability; and before that supposition could, in any case, be realised, the ruin of the parties immediately embarked in the trade (a trade so distant, requiring large capitals, and making slow returns) might be completed, with the ruin also of the Company, whose establishments would have been deranged by this great change. If the change itself did not occasion the fall of the Company, the disappointments which the private adventurers could not fail to experience would, by them, be charged to the influence of the remaining privileges of the Company, and they would not rest until the whole were extinguished. But it may be observed here, and it is an observation which might be urged more formally and fully, that although the Company have the justest claim to those territories, which the powers vested in them by the laws of this land, the ability of their servants, and the hazards they have encountered, have enabled them to acquire, and that this right was never questioned, until the acquisitions, and consequently the merit of making them, became great; yet that, in a more peculiar sense, all the principal marts and factories of British

tish India are their property, acquired in their purely commercial period, either with their money or by grants from the native princes of the country, and that the power of admitting settlers and traders to them strictly belongs to the Company.

One part of the present system, and a beneficial one for all parties, is to have only one place of sale for Indian goods, that is London; to make all sales by public auction at stated periods, and these sales to be regulated and conducted by the Company. With the proposed enlargements, it would seem hardly possible to continue that practice. Different towns would have their own sales, at their own times. Individuals might frequently chuse to dispose of their goods by private bargain. The general resort of buyers which the sales were wont to bring to London, a resort often productive of other commercial speculations, would thus be at an end; and the benefit derived from public auction, when that was the sole mode, would be lost, in the midst of many private sales and competitions: but to dispose of the goods of the Company by private negociation, might open a door to many abuses, which would render that mode totally unsuitable for their business. The Company, with such a competition, could not go on to purchase the goods of India. With the cessation of their Indian trade, their Indian subordinate factories, which have been reared in the course of more than a century, and which are the seats of the best manufactures produced in the country, must be abandoned, and all the commercial branch of their civil servants be thrown out of employ. Their purchases of goods at home, for the Indian market, must also cease, with the circulation of money which has enabled them to support their credit in England, and to provide for the payment of bills, which it has been long and necessarily the practice to draw on them from India; a practice which, under such a change of circumstances, could not be continued: and, in general, the great aid which the political affairs of British India have, at all times, derived from the commercial credit and resources of the Company with the reciprocally beneficial co-operation of the different parts of the Company's system, must thus be destroyed. In like manner, the Company must cease to employ the numerous class of
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excellent ships they have engaged for the Indian trade, ships constructed for warlike defence as well as for commerce, and rendered expensive only, by being necessarily destined and fitted for the performance of political services. Those ships the Company have contracted to employ for the term of their duration: there is a large capital embarked in them, and they can be employed in no other way than in that for which they were built. When they can no longer be kept up, the means of conveyance they have hitherto so well afforded for troops, and the large supplies of naval and military stores annually sent to India, must be lost.

But there is no reason to believe the evils would end here. The monopoly of the China trade, which it is proposed to continue, would not be safe. British ships, when permitted to range at pleasure through the Indian seas, however interdicted from that trade, would attempt to participate in it, either by resorting to it as the country ships do, under color of carrying on the coasting trade, or by other means obtaining teas, and the other productions of China, at the most convenient Indian ports. Love of gain, disappointments in other ways, the hope of impunity, would stimulate their conductors to break through restrictions imposed in this country. British subjects, who now navigate the Indian Seas, sail from some one of our established settlements there, and are amenable to the laws of it: it would not be so with men having no domicile in India. In ranging the numerous islands and coasts of the Eastern Seas, where they would be unknown, and whence they could not be followed to England by complaints, the probability of impunity might tempt them to commit upon the weak natives, accustomed to repose confidence in Englishmen, acts of injustice and licentiousness, which would wound the national character, raise complaints throughout India, and set the people against us. In this manner the Portuguese formerly rendered themselves odious in the East, and contributed to the downfall of their own power. In China, where the effects of such a spirit would be most to be feared, we could exercise no authority, sufficient to controul men not within the reach of the Indian Governments; or to defeat their schemes and associations for eluding the laws. Practice would embolden them, and time increase their numbers. It is hardly conceivable they would not venture upon irregularities which would

would offend the Chinese Government, who, whilst the delinquents escaped to England with impunity, would doubtless take satisfaction of the national factory; and the pride and jealousy of that government, alarmed by repeated instances of this nature, from the desultory visits of a new order of Englishmen, insubordinate to the representatives of the nation, might determine to dismiss the whole together. If this extreme case be not supposed, which however is too probable and too momentous in its consequences to be hazarded, can it be doubted, that whilst the duties on tea continue at even the fourth part of what they are at present, private English ships adventuring to the Eastern Seas will not, by means of country vessels and intermediate ports, if by no other means, procure teas, and revive the practice of smuggling them into this kingdom? The consequence seems inevitable, and the ships of our own country, especially if allowed to chuse their port of discharge, as the proposed change seems to require, would have facilities, which those of foreign Europe or America could not command. In these ways, the China monopoly of the Company, reduced in its profits, would be rendered likewise insecure, and in the end untenable; and the noble fleet of ships, employed in that trade by the Company, must be also laid aside. How the immense revenue, now derived by Government from the very high duties on tea, could, under such circumstances, be realized, or a substitute found for them, may be an important, and, to all appearance, a most difficult subject of enquiry.

But a more serious consequence than all these would still remain. A free trade to India would, unavoidably, draw after it the residence of numerous and continually increasing Europeans there, whatever prohibitions might, at first, be opposed to their settling in the country. When all restraint to the importation of ships and goods is taken off, men must be allowed to follow their property, and to remain at the place where they land it till they have disposed of it: they must be allowed to navigate the Indian Seas, and to return to the same place when their business calls them: they will thus, insensibly, and with hardly reasonable grounds for opposition, domiciliate themselves; nor would an unsuccessful trade prevent them, but many would seek to indemnify themselves on shore

shore for their losses by the voyage. The instances of such settlements will be numerous, and it will be impossible for any police to follow up the cases of individuals, and continually to exercise a rigorous system of exclusion. This has not hitherto been done, though attended with comparatively little difficulty; and the attempt would soon, under the new order of things, be abandoned as hopeless. Colonization must, in such case, follow. Large communities of Europeans will struggle for popular rights: new feelings with respect to the mother country, new interests and attachments will then spring up; and in a region so remote, so rich and populous, and so accustomed to yield to the ascendancy of the European character, the tendency and process of these things cannot be difficult to conceive.

With the prospect of all these consequences, commercial and political, before the Court, it is impossible that they, as faithful guardians of the interest committed to their care, or as men truly solicitous for the welfare of their country, which they profess themselves to be, can advise their constituents to seek a renewal of their Charter, on conditions which would despoil it of all its solid advantages, deprive the Company of their most valuable privileges, and incapacitate them from performing, for themselves and the nation, the part hitherto assigned to them in the Indian system. Such a further enlargement of the Indian trade, in favor of individuals, as may be compatible with the preservation of these essential objects, the Court will, in present circumstances, certainly be disposed to recommend. They will be ready to enter into a serious enquiry concerning the concessions which may be made, without trenching upon the principles established by the Act of 1793; and they trust that the justice and wisdom of His Majesty's Ministers will not require the Company to make essential sacrifices, for the sake of giving to the Public what would, after all, be more an ideal than a real benefit, and be, in other respects, productive of incalculable disadvantages.

The other important proposition which is next to be considered, is the transfer of the Indian Army to the King. The reasons assigned for this proposition are, that an end may be put to the jealousies and divisions which have too much prevailed, between the officers of His

His Majesty's army and those employed by the Company, and that the responsibility in the country, of providing for the military defence of India, may be ascertained and strengthened.

The Indian army is the main instrument by which the Company have acquired and retained the territorial possessions they have added to the British Empire. The people of those countries submitted more easily to an authority exercised by means of a body formed from among themselves. We fought battles and governed provinces as the native powers did ; and our new subjects, undejected with the sight of a foreign conquering army, supposed the government to continue substantially the same, and the principal change to be in the individuals who exercised it. The constitution and character which this Indian army has acquired, have been the subject of just admiration. These have been owing, essentially to the happy mixture of bravery and generosity, of firmness and kindness, exercised towards the Sepoys by their European officers. The superior lights and energy of the European character have directed the powers and 'mediated' the prejudices of the native troops ; but it was because the officers knew the people and their prejudices well. These officers had been trained up among them from an early age : the nature, the usages, and the language of the natives, were become familiar to them ; and the natives, remarkably the creatures of habit, in return, from being accustomed, became attached to them. Without such knowledge, however, on the part of the officers, they might every day have revolted the minds of so peculiar a race, and have alienated them from our service and government.

An Indian military education, from an early age, is essential to the formation of a good Sepoy officer, and gradual rise in the service by seniority, is no less indispensable. In this way, the Indian army has been constituted and rendered eminently efficient ; and all measures, tending to change or weaken the constituent parts of this fabric, are to be deprecated. When, excepting a few regiments of European artillery and infantry, the whole military force of British India was composed of Sepoy corps, the officers of that army, of course, possessed entire the emoluments and advantages which the service afforded

afforded. The introduction of European troops from His Majesty's army into India altered this state of things. Young officers, of no Indian experience, who had obtained their commissions by purchase, took rank of men of long and tried service: the King's officers were thought to come in, also, for too large a share of employments and advantages. To redress the complaints which the Company's officers made of supercessions and partialities, and to give them a better share of the benefits of the service, was the leading object of Lord Cornwallis's Military Plan of 1794, and with him a principal motive for proposing to transfer the Indian army to the King, no other practicable means having then occurred to him. But the object was, in substance, attained by the Military Regulations of 1796, passed in concert with His Majesty's Government, without that transfer, of which his Lordship did not revive the idea on his last return to India, those regulations having given increased rank and retiring pay to the officers of the Company's army. The causes of complaint, however, did not entirely cease. To avoid the collision of authorities, the Company had adopted the usage of appointing the Commander in Chief of the King's troops, also their Commander in Chief; and one consequence of this has been, that the Company's officers, resident from early youth in India, possessing little influence in England, unknown to officers of high rank in His Majesty's service, have thought themselves treated with less favour and distinction, than younger officers of that service recently arrived, but better patronized. You know, Sir, that there have been instances of this sort, which the Court, with the sanction of your Board, have interposed to repress: but as long as the British force in India is made up of two armies, so differently constituted, with so large a portion of King's officers, the whole commanded by generals of His Majesty's service, there will, probably, be real or apprehended ground for the like complaints. They do not arise because one army has the honour to belong to His Majesty and the other serves the Company, but because the constitution of the two armies are radically different, and must continue so, whether the armies are under one head or two. The Indian army cannot be maintained without officers attached to it from an early age, and rising by seniority. Frequent changes of King's regiments

ments serving in India, and the consequent frequent arrival of young men, promoted in them by purchase, and without the usual qualifications, will be avoided: the former class will be comparatively unknown to the King's commanders, the latter will have among them the connections of those commanders, or of men of influence in England. It is not difficult to see, therefore, to which side the exercise of military patronage will lean; and to prevent causes of complaint, and to keep the balance even, must be an important object in the Government of India. It does not seem the way to effect this, to put the Indian army wholly in the power of the Commander in Chief. It is of the partiality of that station of which the Company's officers have sometimes complained; and the Court see no reason whatever to suppose, that their jealousy and dissatisfaction would be removed, by putting them entirely under its control: and, indeed, by placing two armies, of such different races and so differently constituted, under the same master, it would seem difficult to avoid attaching the idea of permanent inferiority to that which was Indian. Nor is it a thing to be taken for granted, that the Sepoys, so much, as already observed, under the influence of habit, would chuse to be transferred from that service to which they have been always accustomed, to one of which they have little experience, and that experience not always of a conciliatory kind. To place the officers of the Indian army wholly under that authority of which they have hitherto complained, does not certainly appear to be the way to render them easy. It might, on the contrary, lead to serious discontent; and though the Court would be far from countenancing that spirit among their officers, or yielding to any irregular exertion of it, yet it must be said, on the other hand, that those officers are a body of men who have deserved too well of the Company and their country, to have real causes of discontent; and that it would be impolitic to adopt any system, likely to generate such causes, either among them or the men they command.

With regard to the other reason assigned for the proposed change, the Court beg leave to observe, in the first place, that they do not perceive the necessary connection between the inconvenience which is alleged, and the remedy suggested for it; since, if it were true that the question of responsibility in England, respecting the appointment

pointment of Commander-in-Chief, lay under an obscurity and uncertainty detrimental to the public service, it does not appear to follow that the Indian army ought to be transferred to the King, to remedy this defect. But, in the humble apprehension of the Court, no obscurity hangs over that question. The appointment of Commanders-in-Chief of the King's forces there rests with His Majesty, and the officer chosen by him will, by virtue of his commission, generally command the Company's army on service. The appointment of Commanders-in-Chief for the Company's army is placed, by law, in the first instance, in the Court of Directors, but with a power vested in His Majesty to annul such appointments. This necessarily points to an agreement between His Majesty's Government and the Court of Directors, in respect to those appointments, and the Court are not aware, that they have, on any occasion, used the share of power left to them by this arrangement, for the exercise of which they feel that they are responsible, to the prejudice of the public service. They must, at the same time, humbly express their opinion, that the law, as it now stands, is wisely conceived, since it does not halve the responsibility, but double it, making both His Majesty's Government and the Court of Directors fully answerable for the appointment of the Company's Commanders-in-Chief: and if it should still be said, that, in point of fact, the selection of a Commander-in-Chief for His Majesty's forces may be rendered difficult, by reluctance, on the part of the Court, to accept of the same officer for the command of the Company's army, it may be justly replied, that they make a sacrifice to the public interest, in agreeing that the Commanders-in-Chief of His Majesty's shall also be the Company's; and, when he is not only to command their army, but expects to be made a Member of their civil and political Government, it cannot be deemed unreasonable, that they should possess the right of satisfying themselves as to his competency for filling those high offices: neither is it, as they think, to be shewn from theoretical reasoning, or by an appeal to facts, that the service will suffer, or has suffered, by their assertion of this right.

But the strongest objections of the Court to the proposed transfer arise from political considerations. They conceive

conceive the continuance of the Indian army in the hands of the Company to be essential to the administration of the civil, financial, and political affairs of British India, according to the present system. The Company's Government has hitherto been respected, both by its own subjects and foreign powers, because it possessed a great military force. Organizing this force, enlarging or reducing it at pleasure, appointing its officers, rewarding merit, punishing the unworthy, providing for the comfortable retirement of the veteran soldier and officer, and, in short, exercising all the functions of a governing power over a very numerous body of men of high military spirit, it has possessed all the respectability and the benefit of their attachment and fidelity. Looking upon the Members of the civil Government and the body of civil servants as belonging to the same master with themselves, and as the first order in the state, they have paid a willing obedience to their authority, and have thereby upheld their internal administration and their consequence abroad. The introduction of certain King's regiments has been understood, as it was intended, to be merely in support of the public interest under the existing system; but if the Company were to be divested of the whole of their military force and power; if they were to be no longer masters of a single regiment, no longer capable of entertaining any soldiers nor of giving one subaltern's commission; if the immense body of men, who have so long looked up to them, were to be transferred from them, the people must consider their power as fallen and drawing rapidly to a close. Continuing still to their Governments a general control over the employment of the army, and to their civil servants the internal administration of their affairs, would give the people no assurance to the contrary. Those servants, in the discharge of their different functions of judges, magistrates, collectors, could not expect the same respect and support, either from public opinion or the attachment of the native troops, as when all looked to the same head for protection, patronage, and reward. Indeed, to make so wide a separation of the military from the civil power; to take away the organization, the interior regulation, and with these, the patronage of the army, from the local Government; to place all those powers in the hands of the

Commander-in-Chief, subject only, in the exercise of them, to an authority at the distance of half the globe, would throw the means and the temptation of a dangerous ascendancy into the scale of the military department, which, constituted by His Majesty, might easily be led to slight the civil servants of a meaner master, and their chance of distant redress. Among the natives of India it has been usual to consider the military power, and those possessing it, as pre-eminent; and they see, in some examples of the present day, *that* power, under the idea of assisting the civil and political administration, actually controlling it. The Company's Government, in short, lowered and over-shadowed in this way, would not, in the opinion of the Court, continue to possess the authority necessary for the proper administration of the affairs of that great empire; and it might then be conceived, that a further change only could supply what was defective.

But this is not the only way in which the measure in question appears to the Court to be pregnant with danger. It proposes to place in the entire disposal of the Crown, a regular army, amounting to one hundred and forty thousand men, commanded by above three thousand European officers, having a great variety of places of honor and emolument; and all the vast patronage attaching to such an army (saying the nomination of cadets) would, mediately or immediately, be under the influence or control of some of the Members of His Majesty's Government. This would be a signal departure from the spirit and letter of the Acts of 1784 and 1793, a professed principle of which was, that the Indian patronage, civil and military, should be kept entirely out of the hands of the servants of the Crown. It is not for the Court to enlarge upon a proposition so momentous; but they beg leave, with the utmost deference, to state, that they would deem it a dereliction of their duty, to which no consideration could induce them to submit, to recommend any measure of this description to the adoption of their constituents. Knowing however, Sir, your concern for the promotion of the public interest, a concern which we have frequently witnessed, the Court still flatter themselves, that the consideration of the renewal of the Company's Charter, a measure which they believe to be for the interest of the nation as well as of the Company, will go

go on without your insisting on this proposition, or any further on the other which has been above discussed, than may be really compatible with the preservation of the present Indian system.

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed)

EDWARD PARRY,
CHARLES GRANT.

The Rt. Hon. Robert Dundas,
&c. &c. &c.

No. IX.

At a Secret Committee of Correspondence,

The 28th February 1809.

The Chairman and Deputy Chairman reported to the Committee, that in consequence of an invitation from the President of the Board of Commissioners, they had yesterday an interview with him, in which he discoursed with them on the present state of the negotiation for the renewal of the Company's Charter. He inquired, in the first place, whether the Company would have occasion to apply to the Public for pecuniary aid in the course of the present year. To this inquiry the Chairman and Deputy answered, that from an estimate lately made up of the Company's receipts and payments, till the month of January 1810, it appeared probable they might be able to do without any public assistance till that period; but that this could not be positively affirmed by the Chairs without further and more certain investigation. Mr. Dundas then said, that if the Company were not under a necessity of coming to Parliament this session on the score of their finances, he thought it would be expedient to delay the agitation of the subject of the Charter in Parliament till next session, because the Committee of the House of Commons for inquiring into the state of the Company's affairs, recently re-appointed, being about to examine into all the great branches of those affairs, which would necessarily engage the public attention on the renewal of the Charter, it would be expected by the House, that the reports of that Committee should be submitted to them, before the question of the renewal was brought forward, and from the number and weight of the subjects to be investigated,

investigated, it would be impracticable to report upon them, soon enough to afford sufficient time to the House to go through the consideration of them in the remainder of the session: it was, therefore, Mr. Dundas's opinion, that it would be advisable to postpone the agitation of the question until next session; but before he fixed his determination, he wished to receive the sentiments of the Chairs and the Committee of Correspondence on this important point, and those sentiments would probably influence him in shaping his answer to the last letter of the Court, dated 13th January 1809, on the renewal of the Charter. The Chairman and Deputy Chairman beg leave to state, that they, in reply, expressed their opinion to be clearly in favor of proceeding with the business of the Charter this session, if it should be practicable for the Committee of the House to make the requisite reports in due time.

The Committee having deliberated on this communication, are of opinion, first, that it will be necessary to form as accurate an estimate as possible of the home finances of the Company for the current year; secondly, that it is very desirable the renewal of the Company's Charter should be brought forward in Parliament this session, even if the Company should stand in need of no pecuniary aid; but, thirdly, that if the Select Committee cannot prepare their reports in due time, and His Majesty's Ministers deem it proper to wait till next session, the Court must, of course, acquiesce; yet in the wish and hope, that if any circumstances should occur in the course of the present session, favorable to the agitation of the measure, it may still be brought forward; and if not in this session, as early as possible in the next; to which end the Committee will be very ready to proceed with the President of the Board of Commissioners in the discussions already commenced.

No. X.

At a Secret Committee of Correspondence,

5th December 1809.

Read and approved draft of a letter to the Rt. Hon. Robert Dundas, proposing that the discussions between him and the Court, on the subject of the Charter, be resumed, investigated

from the point at which they were left by the letter from the Chairman and Deputy, dated 13th January last.

No. XI.

LETTER from the Chairman and Deputy Chairman to the Rt. Hon. Robert Dundas, noticed in the preceding Minute.—(Private.)

Sir, *East-India House, 5th Detember, 1809.*

From the conference the Chairs had the honor to hold with you on the 13th of February, on the subject of a renewal of the Company's Charter, we were given to understand, that although His Majesty's Ministers did not deem it expedient to bring that subject under the consideration of Parliament in the session then preceding, it might, in their opinion, be proper to prepare for the agitation of it in the next following one.

We now, therefore, by the authority of the Committee of Correspondence, whom the Court of Directors have empowered to conduct the details of negociation on the subject in question, beg leave to state to you, that, in their opinion, it is desirable the discussion concerning the renewal of the Charter should be brought on in the ensuing session, both on account of the general situation of the Company's affairs, and also on account of the particular pressure on their finances (arising chiefly from the transfer of certain sums of the Indian debt to England) which we have already had the honor to represent to you and to Lord Harrowby, and which renders necessary such an application for public aid, as may, of itself, be expected to lead to a general consideration of the Company's affairs.

We therefore take the liberty to propose, that the discussions between you and the Court, on the subject of the Charter, be resumed, from the point at which they were left by the letter the Chairs addressed to you, under date the 13th January last.

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed)

CHARLES GRANT,

WILLIAM ASTELL

The Rt. Hon. Robert Dundas,

&c. &c. &c.

No. XII.

*At a Secret Court of Directors, held on**Friday, 3d January 1812.*

The Chairman laid before the Court, copy of a letter from Lord Melville to the Chairs, dated the 17th of last month, upon the subject of continuing to the East-India Company, for a further term, their privileges of exclusive trade and the government of the British territorial possessions in India, in which his Lordship adverts to his letter addressed to the Chairman and Deputy Chairman, on the 28th December 1808, and to their reply, dated the 13th January 1809, and adds, that if the Court of Directors are willing that the ships, as well as goods of private merchants, may be admitted into the trade with India, under such restrictions as may be deemed necessary, he shall be ready to discuss with the Chairs all the other details of the system: and his Lordship alluding to two points of considerable importance, adverted to in the above-mentioned letters, *viz.* the first relating to the transfer of the Company's army to the Crown, upon which subject circumstances may possibly suggest the expediency of adopting other measures, for promoting the discipline and efficiency of the army in India; and the second point, being the Indian debt, upon which subject his Lordship observes, that the period he should hope is arrived, for providing, out of the Company's own resources, without any pecuniary aid from the Public, the means of enabling them to satisfy all the claims of their Indian creditors.

Ordered, That it be referred to the Committee of Correspondence, to consider what reply it may be right and proper to make to the letter from Lord Melville, now read; and to report their opinion thereon to the Court.

No. XLII.

LETTER from the Rt. Hon. Lord Viscount Melville to the Chairman and Deputy Chairman, dated the 17th December, 1811, noticed in the preceding Minute.

Gentlemen, India Board, 17th December, 1811.

Understanding from you, that it is the wish and opinion of the Court of Directors, that a proposition should be submitted to Parliament in the course of the next session, for continuing to the East-India Company, for a further term, their privileges of exclusive trade and the government of the British territorial possessions in India; it will be necessary, before I can proceed with you to the discussion of that question in all its details, that certain preliminary matter should be again brought under your consideration.

In a letter which I addressed to the Chairman and Deputy Chairman, on the 28th December 1808, the outlines of such a system, in regard to the trade between this country and the East-Indies, were stated, as His Majesty's Government at that time were willing to propose to Parliament. In a reply to that letter, dated the 13th January 1809, detailed reasons were urged, for the Court of Directors declining to "advise their constituents to seek a renewal of their Charter, on conditions which" (as asserted by the Chairman and Deputy Chairman) "would despoil it of all its solid advantages, deprive the Company of their most valuable privileges, and incapacitate them for performing, for themselves and the nation, the part hitherto assigned to them in the Indian system."

I do not feel it requisite, in this stage of the business, to enter upon a minute examination of the arguments from which that conclusion was drawn. Many of them have reference to possible dangers, which might arise from a system of trade wholly unrestricted; against which dangers, however, it was expressly admitted in my letter, that it would be essentially necessary to guard. A considerable portion of their reasoning, also, would lead to the inference, as a general proposition, applicable to all cases of foreign and distant trade, that a monopoly

was more beneficial to both countries than an unrestrained commerce; and that the facilities intended to be afforded to private trade with India, by the Act of 1793, were inexpedient and impolitic. There are several statements in the letter, in which I fully concur; but it is unnecessary to advert to them at present, because, if the Court of Directors adhere to the above-mentioned determination, I cannot hold out to you the least expectation, that His Majesty's Government will be disposed to depart from the proposal contained in my letter, or that they will concur in any application to Parliament, for the continuance of a system of trade, conducted under all the restraints now imposed upon it, and for the permanency of which the Court of Directors have so strenuously contended. If they are willing, on the other hand, that the ships as well as goods of private merchants, may be admitted into the trade with India, under such restrictions as may be deemed necessary, I shall be ready to discuss with you all the other details of the system.

There are two points, however, of considerable importance, which are adverted to in the above-mentioned letters, and on which it may be advisable that I should state to you shortly what occurs to me.

The first relates to the transfer of the Company's army to the Crown; a measure which has been frequently suggested by persons intimately acquainted with the military concerns of the Company, and whose opinions are entitled to great consideration. It is impossible, however, not to admit, that several weighty objections to such a change are stated in the letter of the 13th January 1809. Events which have since occurred must, also, have an influence in deciding this question, and may possibly suggest the expediency of adopting other measures for promoting the discipline and efficiency of the army in India. Further discussion on this subject may be deferred till a future opportunity, and any arrangements which may be deemed proper can be carried into effect, without having recourse to special legislative enactments.

The other point to which I allude, is the proposition for enabling the Company to meet the heavy demands which were then expected, and which, to a certain extent, have since

since come upon them, by the transfer of their Indian debt to this country. All uncertainty, as to the possible amount of those demands, is now removed; and the period, I should hope, is arrived, to which, during some years, we have looked forward with anxiety, for providing out of the Company's own resources, without any pecuniary aid from the Public, the means of enabling them to satisfy all the claims of their Indian creditors. The sanction of Parliament will probably be necessary for carrying into effect any arrangement for that purpose; and if the Court of Directors are willing that these discussions, on the renewal of the Charter, shall proceed, in so far as relates to the question of the trade, on the principle to which I have adverted, I shall be ready to receive from you any suggestions you may have to offer on the subject of the debt, and on the mode by which you propose that funds for its liquidation shall be provided.

I have the honor to be, Gentlemen,

Your most obedient humble servant,

(Signed)

MELVILLE.

The Chairman and Deputy Chairman
of the East-India Company.

No. XIV.

At a Secret Court of Directors, held on

Friday, 28th February, 1812.

The Chairman from the Committee of Correspondence laid before the Court the draft of a reply to Lord Melville's letter of the 17th of December last, which was read:

Ordered, that the same be taken into consideration to-morrow.

No. XV.

At a Secret Court of Directors, held on

Saturday, 29th February 1812.

The Court proceeded to take the proposed draft of a reply to Lord Melville's letter into consideration.

No. XVI.

*At a Secret Court of Directors, held on**Monday, 2d March 1812.*

The draft of the proposed reply to Lord Melville's letter, of the 17th December last, was unanimously approved.

Resolved, That a deputation of this Court be appointed to wait on His Majesty's Ministers, in consequence thereof; and that the said deputation do consist of the Chairman, Deputy Chairman, Charles Mills, Esq., the Honorable William Elphinstone, and Edward Parry, Esq.

No. XVII.

LETTER from the Chairman and Deputy Chairman to the Rt. Hon. Lord Viscount Melville, with its Enclosures, noticed in the preceding Minute.

My Lord, *East-India House, 4th March 1812.*

We duly received and laid before the Court of Directors your Lordship's letter of the 17th of December last. We trust that the great importance of the matter contained in it will explain, in a satisfactory manner, to your Lordship and to His Majesty's Government, why an answer has not been prepared at an earlier period.

By that letter we think it is to be understood, that His Majesty's Ministers have made up their minds, not to hold out to the East-India Company an expectation of their being disposed to concur in an offer to Parliament of any proposition for the continuance of the present system of trade with India, at the close of the term limited by the Act of 1793, which is now nearly expiring, without a previous consent, on the part of the East-India Company, as the basis of such concurrence, that the trade with India shall be extended to the ships, as well as goods of private merchants, under such restrictions as may be deemed necessary: but that His Majesty's Ministers are of opinion, with respect to the subject of the

Indian army, that the idea which was held out in your Lordship's letter of the 28th December 1808, relative to the transfer of the Company's army to the Crown, will not be contended for; and that, upon these grounds of understanding, your Lordship will be prepared to receive from the Court of Directors any suggestions which they may have to offer on the subject of the Company's debt, and upon the mode by which the Court propose that funds for its liquidation should be provided.

From the terms in which the first proposition, respecting the trade with India, has been brought to the notice of the Court, they conceive that it is intended, on the part of His Majesty's Government, to preclude the Court from any further agitation of a question already so fully discussed. The Court, indeed, cannot avoid considering this as the obvious interpretation of your Lordship's letter, respecting a point upon which, perhaps, it might be out of their power to offer any arguments, not contained in the letter of the Chairs to your Lordship, of the 13th of January 1809.

Whatever opinion, therefore, the past experience and daily observation of the Court may have justly induced them to form upon this subject, or however incontrovertible they may believe many of the arguments to be, that are made use of in the letter of the Chairs to your Lordship, to which they have referred, they think it their duty to state, that if this alteration be made an indispensable condition, on the part of His Majesty's Ministers, of their proposing to Parliament the renewal of the Company's privileges, the Court will, though reluctantly, offer this measure to the consideration of the Proprietors, with whom alone the power rests of consenting to such a fundamental change in the constitution of the Company. But they must, at the same time, beg leave, in the most unequivocal manner to declare their conviction, that though this alteration may, and probably will, be attended with many serious inconveniences to the whole frame of that Government, which, whatever opinion may have been formed of its imperfections, has, beyond all dispute, acquired and maintained for Great Britain's paramount, and almost undisputed sovereignty in the East, it will not give to the nation those commercial advantages, which it has been the habit of many of the commercial interests of this Country to contemplate.

The

The Court, however, hope it will be understood by your Lordship, that they have entertained this opinion, not upon the narrow, and now justly exploded ground, which they are sorry to see has been imagined by your Lordship to exist, that the Company have ever considered a monopoly to be more beneficial in all cases of "*foreign and distant trade, than an unrestrained commerce*," but upon the conviction with which they have been impressed, that an exclusive trade with India is the only one really applicable to the maintenance of the public interests with that country, interwoven as that trade is with the very frame and integrity of those possessions, and resting, as it does, upon many highly important considerations, which are, in no wise, applicable to other commercial establishments.

In support of these opinions, the Court beg leave to enclose abstract copies of the Accounts (A and B), which have been called for, and laid before the Committee of the Honorable House of Commons upon East-India Affairs, established in 1808, and continued to the present time, which they imagine will afford a fair representation of the trade in bullion and in goods carried on with India, as well by individuals as by foreign nations; and these accounts will, they trust, establish, in a conclusive manner, the correctness of the sentiments entertained by the Court respecting this trade.

In communicating, however, those sentiments of reluctance, by which the determination of the Court to submit the proposition in question to the Proprietors of East-India Stock is accompanied, the Court hope it will be clearly understood, that this determination arises from a presumption, that such military powers as are now vested in the Company will be left unimpaired, which can alone induce them to entertain an expectation of their being able, in a manner satisfactory, either for the Company or the Public, to perform the part which has hitherto been assigned to the Company in the Government of a distant empire; and also, that such regulations will be adopted, as will prevent the highly dangerous intercourse of Europeans with the East; and that such arrangements will be made, in respect to pecuniary matters, as will enable the Company to meet with confidence the present state of their affairs. The Court also hope, that in the
extension

extension of the trade which the Company now enjoy, His Majesty's Ministers have not had in view the hazardous experiment of dispersing, over all the ports of England and Ireland, a trade now brought, with so much advantage, both to the Company and the Public, to the single port of London.

If the private intercourse with India should, in future, be extended, it may naturally be expected, that upon the return of peace, a number of British seamen will be thrown out of employ; and the Court are apprehensive that such an intercourse, carried on through the medium of Indian ships and Indian sailors, relaxing as it would do the spirit of the navigation laws, which have always been considered to be the basis of the maritime strength of this country, may be viewed by the nation with extreme alarm, and will probably give rise to many disorders. The Company's papers and offices might furnish material information, by which the relation of the Indian trade with the navigation system could be appreciated, and the Court, if it should be thought likely to be of public utility, are ready to have that information collected; but without such call, and without pressing their reasons at length, either upon your Lordship or the other Members of His Majesty's Government, they will content themselves with the declaration they have already made of their opinion upon this subject.

The Court are desirous of taking this opportunity to offer some remarks, and to answer, in a cursory manner, part of those public accusations, which have been so assiduously urged against the East-India Company, and against the further continuance of a system, which, they hope, will appear to rest, not upon the grounds of individual interest, but upon the firm basis of national advantage.

Whatever opinions the Court may deliver, upon a subject in which they are manifestly interested, will doubtless be received with circumspection; but the Court think, that they may be allowed, and with justice upon the present occasion, to assert, that the leading disposition of their minds is, to preserve the empire obtained in India to the parent state.

The first, and the most prominent of the charges, which have, at various times, been brought against the Company, is the repeated calls which they are accused of having

having made upon the public, for money for the prosecution of ruinous concerns; as if they had dissipated large sums in useless and improvident undertakings. Upon this head it may be sufficient for the Court to observe, that their commercial affairs (and to those alone was the Company's management restricted) have been invariably attended with success, as they are prepared to shew, if the proof should be called for; and that these advantages have been sufficient to allow of a moderate dividend to the Proprietors of East-India Stock. Over and above this dividend, a surplus sum has been applied, arising from this source, towards the extension of that territory, the acquisition of which has been under the immediate direction of His Majesty's Ministers.

But the Court are persuaded, that the magnitude of the affairs which the Company have had to manage, has been little known and little attended to, otherwise it would, at once, have been seen, that one of the principal difficulties with which the Company have had to contend, is a capital, not in any respect equal to the great extent, variety, and importance of those affairs.

The disbursement of the Company upon the single article of commerce in goods and wares, &c. or of articles necessary for its management, a disbursement of sums going from and returning to the Company, from one moment to another, was, at the close of the year 1811, not less than about £14,847,678

To this must be added, the amount of advances in India and at home, for stores of various kinds, applicable to the purposes of Government, and in constant use for military equipments, &c.; of cash, arms, &c.; and of debts due to the Company from various states and princes, &c.; and other articles, making, at the close of the Indian year 1810, about £1,282,279

If to these sums be subjoined the absolute expenditure made by the Company, for the acquirement of a territory, with forts, ammunition, &c. and the actual purchase of

Carried forward £36,129,957

..... many

THE EAST-INDIA COMPANY'S CHARTER. 49

Brought forward £46,129,937
 many factories and territories, building of docks, purchase of forests, &c. including a considerable sum which has been paid by them, at various times, to the Public, or disbursed for expeditions, and the maintenance of captures afterwards surrendered up to the enemy, viz..... 15,052,170

They form altogether an aggregate of £51,182,127

The capital of the Company is:—

In money advanced by the adventurers, about	£7,780,000	
And they receive from the aid of bonds at home	7,000,000	
And from other contingent credits, at home and abroad, about	7,787,953	
Together		22,567,953

Leaving a balance of.... £28,614,174

Constituting, at this moment, a permanent debt in India and in Europe. (See C.)

This aggregate of £51,182,127, a part of which sum only has been employed upon the territorial acquisitions of the Company, forms an outlay, beyond the capital of the Company, of so large an amount, as to make it more matter of wonder, how the Company have hitherto been able to carry on the concern as well, than to render it extraordinary that they should have been constrained, respectfully and at various times, to represent the urgency of their affairs, and to press upon the Public for the mere return of those sums, which had been fairly expended by the Company abroad for the public service; a return which has never yet been granted to the Company, to the extent to which, in justice, it ought to have reached. In every war which has taken place since the Company became possessed of the territorial acquisitions, large sums of money have been expended in capturing the settlements of the French, Dutch, and Danes, and heavy expenses incurred in keeping the same, till the political views of the Public occasioned these settlements to be restored, in return for other objects, in which the Com-

pany had no particular interest. The Company have also been compelled to pay part of the expense of capturing and maintaining an island, afterwards reserved for the exclusive benefit of the Crown; to disburse a considerable sum for a force, of which the Public have derived all the benefit at home; and even to contribute to the Egyptian expedition, the whole of which expenses the Company have always thought ought to have fallen upon the State.

This large and necessary outlay, in fact, now constitutes the source of the Company's embarrassment. A considerable part of the money raised in India upon periodical loans, to meet this outlay, has (as your Lordship well knows) by the terms of these loans, which made them payable, if required, in England, and in consequence of a general reduction of interest from eight to six per cent., been at once thrown upon the Company for immediate payment in Europe; a sum which, without the aid of Parliament, it is impossible for the Company to discharge.

Of this large expenditure, sanctioned, and in many cases specifically directed by the Ministers of the Crown, it may with justice be asked, what part has been incurred for the partial or exclusive advantage of the Company? —It is evident, that the whole concern has been begun and continued by private exertions alone; nor have the Proprietors received, by any means, an adequate recompence for those exertions: they have scarcely derived more benefit than the common interest of money. And if India be an object of regard to the world, the Company may have the satisfaction of thinking, that they, at their own risk and expense, have rescued it from contending Nations, and may claim the merit of having laid it at the feet of their country; acquired and preserved, it is true, at a great pecuniary expense, and by such abilities and such exertions, both civil and military, as not only to reflect the highest credit upon the East-India Company, but also to raise, as the page of history will testify, the national character. They venture to hope, that when all the great political relations of this acquisition are considered, the price paid for it will not be deemed as out of proportion to its intrinsic value.

The wisdom of Parliament will, the Court make no doubt, be applied to preserve what has been so acquired, and

and finally do justice to those, at whose risk it has been obtained; and not be induced to barter positive, and very large immediate advantages, against speculative notions and theoretical plans.

In the second place, it has been often urged, that the Company have been favoured, during these exertions, with an exclusive trade, and that the nation has thereby lost an opportunity of extending their commercial enterprises over a large quarter of the globe. It is true, that the Company have been favoured with this exclusive trade; but it may fairly be asked, would India have belonged to Great Britain if this exclusive trade had not existed? That this trade would have been of greater magnitude in the hands of individuals, is yet a matter that remains to be proved: but it is obvious, that during part of the above period, viz. from the year 1768 to 1812, the Public have received, in direct contributions from the Company, a sum not falling short of £5,135,319, as will appear by the accompanying Account (D).

With respect to the immediate produce of this trade to the Public, the Court believe it will bear a comparison with that arising from any other distant possession. It produced last year to the Public the large sum of £4,213,425 (E), viz. in customs £759,595, and in excise £3,453,830; and though this return to the Public be larger, as the Court have reason to think, in respect to the capital employed, than the return from any other trade, it has, at the same time, been collected with a facility unknown to other concerns; an advantage which has been obtained, partly by the progressive enactment of regulations the fruit of many years experience, and partly by the concentration of the trade in a single port, and the prevention of smuggling, which has been the consequence of it.

But what has never yet been fairly estimated in the existence of the East-India Company is, that the whole of these returns have been brought into the exchequer of the Public, without the Public having been called upon for any direct contribution for the preservation of the source from whence they have had their rise, whilst the possessions of the Crown, in every quarter of the globe, have drawn from them a considerable sum for their support in troops. What has been saved to the State has

thus, the Court conceive, been gained by the Public, and would amount, as the Court are satisfied, in only twenty years, to a sum of a very great magnitude. From the Navy, indeed, the East-India Company have received important assistance; but such assistance, it must be recollected, has been afforded to them only in common with the rest of His Majesty's subjects.

That the trade of the Company has been highly beneficial to the Public, in affording a nursery for seamen in time of war, and employment for them in time of peace, and that the Company's maritime service has contributed materially towards those benefits, cannot, the Court apprehend, be doubted; nor that the fortunes of individuals, acquired either in the service of the Company, or by their industry and exertions under the Company's protection, have gradually contributed to the accumulation of that public stock of national wealth, which has enabled this country to stand, almost alone, against the united exertions of nearly all Europe.

Having offered these cursory observations upon matters of such obvious importance, we are directed by the Court to state, that as the pecuniary arrangements necessary for the support of the Company cannot, with propriety or with effect, be made the subject of correspondence, they beg to refer these points, as well as all those of interior detail, of which there are a great many, to a personal conference between your Lordship and the Deputation of the Court, which had the honor to wait on your Lordship this morning.

We have the honor to be, My Lord,

Your Lordship's most obedient humble servants,

(Signed) JACOB BOSANQUET,
HUGH INGLIS,

The Rt. Hon. Lord Viscount Melville,

&c. &c. &c.

(A.)

AN ACCOUNT, shewing the Total Amount of the Official Value of the Bullion and Merchandize Imported into, and Exported from British India (Bengal, Madras, and Bombay) to London, America, and Foreign Europe, for Six Years, viz. from 1802-3 to 1807-8 both inclusive.

	TOTAL of the IMPORTS into INDIA.			TOTAL of the EXPORTS.
	Bullion £ Sterling	Goods & Stores £ Sterling	Total £ Sterling	Of Goods only £ Sterling.
London :				
By the East-India Company.....	4,939,128	5,547,501	10,486,629	8,108,897
By Commanders and Officers of the Company's Ships....	179,756	2,640,000	2,819,756	1,939,000
By British Private-Traders.....	1,167,460	1,832,980	3,000,440	5,681,740
Americans	4,543,062	667,654	5,211,316	4,803,283
Foreign Europeans....	2,051,093	1,072,960	3,124,053	2,437,752
Total Imports } & Exports } £	12,881,099	11,761,095	24,642,194	22,970,672

Memorandum. There has been a small quantity of Bullion exported from India to Europe and America, to the extent of Sicca Rupees 1,75,316, but which is not material to the present account.

Note. The value of the Company's Imports into India is taken from the invoices of the ships as they arrived in India, with the addition of ten per cent. upon the invoice price outwards. The value of the British Private-Trade, as also the American and Foreign European, is the Indian official value, and which appears to correspond pretty nearly with the market prices in India. In order to make a just comparison between the amount of the Company's and the Private or Foreign Trade, the goods should be exactly reduced to the same denomination of value; but this is not strictly practicable.

Errors excepted,

(Signed) ROBERT WISSETT.

East-India House, 4th March 1812.

(B.)

AN ACCOUNT shewing the Amount of the Official Value of the Bullion and Merchandize Imported into, and Exported from British India (Bengal, Madras, and Bombay) to London, America, and Foreign Europe, on an Average of Six Years, viz. from 1802-3 to 1807-8, both inclusive.

	ANNUAL average of the IMPORTS into India.			ANNUAL average of EXPORTS.
	Bullion. £ Sterling.	Goods and Stores. £ Sterling.	Total of Imports. £ Sterling.	Merchan- dize only. £ Sterling
London:				
By the East-India Company...	823,188	924,583	1,747,771	1,351,483
By Commanders and Officers of the Company's Ships.	29,959	440,000	469,959	323,167
By British Private- Traders.	194,676	305,496	500,072	946,956
Americans	757,277	111,276	868,553	800,547
Foreign Europeans	341,849	178,826	520,675	406,292
Total average Imports & Exports... }	£ 2,146,849	1,960,180	4,107,029	3,828,445

The proportions of which are :

Exported to England — $\frac{62}{100}$, or upwards of $\frac{1}{2}$ ths.

Do. to America — $\frac{21}{100}$, or less than $\frac{1}{5}$ ths.

Do. to Foreign Europe $\frac{17}{100}$, or less than $\frac{1}{5}$ th.

The exports of individuals from Britain are :

Bullion £194,576

Goods 806,496

The imports of ditto into Britain..... £500,072
946,956

Difference, per annum, £446,884

being not a trade but a remittance, deducting the amount of the profit on exports.

Errors excepted,

(Signed) ROBERT WISSETT.

East-India House, 4th March 1812.

THE EAST-INDIA COMPANY'S CHARTER. 33

(C.)

OUTLAY, *Commercial and Territorial, of the East-India Company at Home and Abroad, made up, in respect to the Indian Accounts, to the 30th April 1810, the Home Accounts to the 1st March 1811.*

COMMERCIAL OUTLAY.

(No. I.) Cash	£450,738
Value of goods sold and unsold	5,053,417
Value of goods afloat	3,379,389
House and warehouses	1,207,090
Balance of property at China and Cape of Good Hope	1,240,652
Cash, goods, and debts, commercial department India	2,071,637
	<hr/>
	£14,412,923
Balance of property at Bencoolen and St. Helena: the outlay at these places being of an anomalous nature, it is stated separately	434,788

Total Commercial Outlay £14,847,711

TERRITORIAL, OUTLAY, INDIA, viz.

(No. II.) Cash in the several departments, 30th April 1810:	
Bengal, S.R. 4,11,38,439, at 2s. 1 cr C.R.	£4,772,028
Madras, Pags. 1,16,24,307, at 8s.	4,649,793
Bombay, B. R. 53,58,932, at 2s. 3d.	602,879
	<hr/>
	£10,024,660
Debts owing to the Company:	
Bengal, S. R. 1,33,49,444, at 2s. per C. R. £1,348,538	
Madras, Pags. 94,93,034, at 8s.	3,797,214
Bombay, B. R. 54,01,917, at 2s. 3d.	607,716
	<hr/>
	£5,953,465

Stores, &c.:

Bengal, S. R. 97,82,114, at 2s. per C. R. £1,134,725	
Madras, Pags. 33,16,927, at 8s.	1,326,771
Bombay, B. R. 28,31,083, at 2s. 2d.	430,997
	<hr/>
	2,892,493
	<hr/>
	8,845,958

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	Brought forward	£18,870,618	£14,847,678
Balance of property at Prince of Wales's Island			224,406
Indian territorial outlay		£19,095,024	
TERRITORIAL OUTLAY AT HOME, 1ST MARCH 1817.			
Debt due from Government, the balance of the original debt of £4,200,000 . . .		£1,207,560	
Debt due from Government, the balance of the account for troops, stores, supplies, &c. 960,000			
Advances to several persons in India, to be repaid . . .		19,695	
		<u>2,187,255</u>	
Total territorial outlay . . .			£21,282,270
			<u>£36,129,957</u>
(No. III.) The expenditure at home and abroad, for the acquisition of territory, &c. being the balance of the stock account, 1st March 1811			15,052,170
Sum total of capital necessary to carry on the concern . . .			<u>£51,182,127</u>
(No. IV.) The capital advanced by the Adventurers . . .			£7,780,000
The capital raised by bond			7,000,000
Other capital, being a floating debt generally due on various accounts :			
Borrowed of the Bank		£700,000	
Estimated commercial floating drafts . . .		000,000	
Sundry sums owing to individuals in England . . .		2,155,922	
Debits, deposits, arrears of interest, and allowances and loans, not bearing interest :			
Bengal		£2,843,134	
Madras		1,017,228	
Bombay		408,792	
		<u>4,269,164</u>	
Debits in India commercial		62,867	
			<u>7,787,953</u>
Total of capital, without the Bond debt of India, . . .			£22,567,953
(No. V) Difference between the balance necessary to remain in permanent loans, for the purpose of carrying on the concern			28,614,174
			<u>£51,182,127</u>

Errors excepted,

East-India House, (Signed) CHAS. CARTWRIGHT,
4th March 1812. Accountant General.

THE EAST-INDIA COMPANY'S CHARTER. 1757

(D.)

STATEMENT of the Contributions from the East-India Company to the Public, from the Year 1768 to the Year 1812.

Paid from 1768 to 1775, in consequence of an agreement concerning the territorial possessions, (7 Geo. III. cap. 57, and 9 Geo. III. cap. 24)	£2,169,399
Paid from 1769 to 1773, for indemnity on tea	483,050
Paid in 1779, bounty for seamen raised for the service of Government	13,653
Paid in 1780 and 1781, three ships of the line presented to Government	95,349
Paid in 1781 and 1787, per agreement for a new Charter in 1781	400,000
Paid in 1789 and 1790, for victualling the navy, and charges of His Majesty's troops in India	500,000
Claim of the Company for subsistence of French prisoners of war, and other expences incurred by the Company on account of Government, written off in 1793 per Act of 33 Geo. III. cap. 52, sec. 127	443,632
Paid in 1793 and 1794, for participation, pursuant to the Charter Act of 1793	500,000
Paid in 1795 and 1796, expence of 3,000 seamen raised for the service of Government	57,000
Paid in 1803 and 1804, armed ships, hired for the service of Government, and employed in defence of the country	67,330
Loss, from 1793 to 1811, by saltpetre supplied to Government at less than prime cost, as per obligation of the Charter	405,906
	<hr/>
	£5,135,319

Errors excepted,

East-India House, (Signed) CHAS. CARTWRIGHT,
4th March 1812. Accountant General.

(E.)

AN ACCOUNT of the Duties of Customs and Excise received on Goods imported and exported by the East-India Company, in the Year ending January 1811.

Customs on Tea	£219,322
— Other Goods . . .	498 901
Export Duty . . .	17,953
Tonnage Duty . . .	23,719
	<hr/>
Total Customs	759,895

Total Customs brought forward 759,595
Excise. 3,453,830

Total Customs and Excise . £4,213,425

Errors excepted,
East-India House, (Signed) CHAS. CARTWRIGHT,
4th March 1812. *Accountant General.*

No. XVIII.

Minute of a Meeting of the Deputation, the 3d March 1812.

The Deputation appointed by the Court to confer with the President of the Board of Commissioners for the Affairs of India assembled this day, in consequence of their appointment of the 2d instant.

The Chairman laid before the Deputation, minutes of a conference which the Chairs had with Lord Melville, on the 20th February, and also with his Lordship, Mr. Perceval, and Mr. Long, on the 24th of February; likewise several accounts, shewing the present and prospective situation of the Company's pecuniary affairs.

The Chairman then suggested certain propositions, as hints, to be submitted to Lord Melville, which after full deliberation the Deputation resolved to adopt, and to wait upon his Lordship to-morrow, at half past ten, for the purpose of offering them to his consideration.

No. XIX.

At a Secret Court of Directors, held on

Friday, the 5th March 1812.

The Chairman acquainted the Court, that the Deputation appointed the 2d instant had waited on Lord Melville, with a paper containing hints for his Lordship's consideration, which had been approved by the Committee of Correspondence.

The Chairman gave some general explanations, as to what passed at the conference; and added, that Lord Melville's opinion, on the various propositions submitted to him by the Deputation, would be stated by his Lordship in writing, and should be communicated to the Court as early as possible.

No. XX.

HINTS approved by the Committee of Correspondence, and submitted to the Consideration of the Rt. Hon. Lord Melville, noticed in the preceding Minute.

That the renewal of the Charter shall proceed upon the basis of the Act of 1793, and that no greater extension of the trade shall be granted than what was allowed by that Act; but the Deputation are ready to recommend to the Court of Directors, and ultimately to the Court of Proprietors, to admit such modifications as may be deemed necessary to give greater facilities to the private trader.

1st. No British or Indian ship to sail, directly or circuitously, from a British port in Europe to China.

2d. No British subject to be permitted to reside in China, without the Company's licence.

3d. No goods, the growth or produce of China, to be imported into any of the ports of the United Kingdom, except by the East-India Company.

4th. The power of levying duties in India upon British subjects, and the subjects of foreign nations, to be continued to the Company, upon the footing on which it at present exists; and the same power, with respect to British subjects, to be extended to the districts within the jurisdiction of the courts of Calcutta, Madras, Bombay, and Prince of Wales Island.

5th. Saltpetre to be considered as a political article, and to be confined exclusively to the Company.

6th. The whole of the Indian trade to be brought to the port of London, and the goods sold at the Company's sales, and to be, as at present, under the Company's management.

7th. The three per cent. now paid to the Company by the private traders, for the warehousing and management of the private trade, to be increased to five per cent.

8th. No private ship to be permitted to sail for India, except from the port of London.

9th. No ship to be permitted to sail, except under a licence from the East-India Company. Ships obtaining this licence, to deliver one copy of their journals at the East-India House; and the licence to contain such clauses,

as may be likely to prevent an unlimited or improper intercourse of individuals with India.

10th. Fire-arms, military and naval stores, to be prohibited articles.

11th. Existing restrictions, with respect to the article of piece goods, to be continued.

12th. It being desirable, as well for the Public as for the Company, that the quality of the silk grown in India should not be deteriorated, it is submitted that this article be confined to the Company.

13th. The ships of private persons to be subject to the same regulations, in respect to convoys, &c. as those belonging to the Company.

14th. No private ship to be permitted to sail, either from Great Britain to India, or from India to Great Britain, of a less burthen than four hundred tons.

15th. The Company to be subject to no obligation with respect to Exports to India, except in common with the private traders.

16th. The Lascars and Chinese sailors brought home in private ships to be placed under proper regulations. Not, upon any account, to be suffered to wander about the streets of London. Good treatment to be secured to them, and the Company to be enabled, by some summary process, to recover the expences to which they shall be subjected, in the event of neglect on the part of the owners of such ships in these respects.

17th. The Company to be indemnified for their unexpected engagements for extra shipping, provided for the accommodation of the private traders.

18th. An unrestrained intercourse with India to be prevented, and the existing restrictions, with respect to residence in India, to be continued.

19th. The number of His Majesty's forces in India to be in future maintained by the East-India Company to be now fixed, and any troops sent beyond that number (except at the express requisition of the East-India Company) to be at the charge of the Public.

20th. The Company to be released from any future account with the Pay Office, and to be henceforward charged, either so much per regiment of a given force, or so much per man.

21st. The present heavy current and postponed demands
of

of the Pay Office against the Company to be arranged upon some footing of general equity, and some advantage in settling this account made to the share which the Company have been obliged to bear in foreign captures not retained by them, and to their having been constrained to maintain an European and native force, larger than what was required for the defence of the Peninsula, and other heavy expences.

22d. The Proprietors to be secured, as at present, in the receipt of their dividend of ten and a half per cent., upon the faith of which dividend the capital in 1793 was raised.

23d. The whole of the surplus of the East-India Company to be appropriated to a diminution of their debts, until the debts be reduced to the sum of ten millions sterling.

24th. The sums required by the East-India Company to liquidate the debt transferred from India to Europe, and becoming payable in 1812 and 1813, to be funded by the Minister, the interest of which shall be regularly paid into His Majesty's Exchequer by the Company, together with any such per centage, for the gradual liquidation of the capital or redemption of the fund, as shall be deemed proper by His Majesty's Ministers.

The twenty-fifth article did not form a part of the propositions submitted to Lord Melville, but is now introduced by the Committee of Correspondence, and is as follows, *viz.*

25th. That, in order to give the utmost possible extension to the commerce of private merchants, and at the same time to secure the Company's exclusive trade to and from China, private ships be not permitted to go farther eastward than Point Romanina, at the entrance of the China Seas, and to the northward not beyond the equinoctial line.

N.B. Should it be the intention of Government that private traders shall be excluded from the Spice Islands, the limits ought then to be for them not to go to the eastward of the Straits of Bally, nor to the northward of the Line.

No. XXI.

At a Secret Committee of Correspondence,

The 18th March 1812.

The Chairman acquainted the Committee, that the Deputy and himself had yesterday waited on Lord Melville, and that his Lordship had appointed to-morrow, at one o'clock, for a conference with the Members of the Deputation.

The Committee agreed to recommend to the Court to-day, that the Quarterly General Court, to be held on Wednesday, the 25th instant, be made special, for the purpose of laying before the Proprietors the Communications which have taken place between His Majesty's Government and the Court of Directors, respecting the renewal of the Company's Charter.

It was also

Resolved, That the papers containing the said communications be printed for the information of the Proprietors, and under the superintendence of the Assistant Secretary.

Draft of a Letter to Lord Melville, to be signed by the Members of the Deputation, requesting that a longer term than that which was fixed in 1793, may be granted for the renewal of the Company's exclusive privileges, was read and approved.

The Chairman, calling the attention of the Committee to the correspondence which had passed between Lord Castlereagh and the Chairs at a former period, as to relieving the Proprietors of East-India Stock from the payment of the Income-tax on their dividends,

The same was read, *vis.*

Letters from the Chairs to Lord Castlereagh, dated the 2d December 1803 and 7th July 1804; and

Letters from his Lordship to the Chairs, dated 20th December 1803 and 12th September 1804.

Draft of a letter to be signed by the Deputation and addressed to Lord Melville upon that subject; and also submitting to his Lordship's consideration, the expediency of providing that the additional dividend of ten shillings per cent. paid on the Company's stock under the Act of the 33d of His present Majesty, cap. 52, sec. 124, may be paid out of the general profits of the Company.

No. XXII.

CORRESPONDENCE *with the Rt. Hon. Lord Viscount Castlereagh, noticed in the preceding Minute.*

Letter from the Chairman and Deputy Chairman to, the Rt. Hon. Lord Viscount Castlereagh.

My Lord, *East-India House, Dec. 2, 1803.*

We have waited until we had obtained a distinct legal opinion from the Company's law adviser, with respect to the power possessed by the Company of paying the Property-tax out of the profits of the Company, previous to the declaration of a dividend to the Proprietors of East India Stock.

But that opinion having been lately returned to us in a shape unfavorable to our hopes and expectations, we have received the injunctions of the Court of Directors to submit this opinion to your Lordship's consideration, and at the same time, to express their hopes, that your Lordship and the rest of His Majesty's Ministers will think it just and advisable, that the power to which we have above referred, should be granted to the Company by some legislative provision.

Upon this occasion, we have to observe to your Lordship; that as the law at present stands, the Company are obliged to deduct the full amount of the tax in question from all the dividends payable to foreigners or other persons, however small the amount of their capital stock may be; although it is fairly questionable, how far the former is legally chargeable to this tax, in respect to those profits that may be presumed to arise from the Company's foreign possessions, and whether the latter, in some cases, may not be entitled to a partial, and in others to an entire return of the tax so retained, in respect of the smallness of the proprietors' incomes. We must also submit, that as the greater part of the other public Companies possess the power, and, as we understand, are disposed to exercise the means of discharging this tax out of their surplus profits, 'it must appear doubly unwise to the Proprietors of East-India Stock to seem an almost solitary exception to the general practice, particularly when they advert to the disposition which has, at all times, been evinced by them cheerfully and voluntarily, to come forward for the service of the State,

even

even when their own immediate interests have thereby been placed at stake.

We feel the more freedom in pressing this point, because we, in common with your Lordship, have entertained an expectation, that the Public (after a war which has existed almost since the last renewal of the Company's exclusive trade) would have been placed in possession of the share of the Company's profits, secured to them by the Act of 1793, if the enormous taxes which the necessities of the State have rendered it necessary to impose upon teas and the other articles of the Company's Trade, and the inevitable expences of another war, had not placed a bar to those expectations, which we think might otherwise reasonably have been formed.

We therefore venture to express a sanguine hope, that under a proper consideration of all the circumstances of the present case, under a review of the very large sums annually paid to Government out of the Company's trade, amounting to no less than £3,200,000, as appears by the inclosed account, and which, in fact, ought in part to be considered as an anticipated partition of the Public out of the Indian revenues, since nothing short of a surplus in India would, we conceive have enabled the Company to support them to the extent they are now imposed;—that, under a due attention to the benefits which even the Public themselves (when we advert to their interest in the ultimate prosperity of the Company) may derive from an increased value to the price of the Company's stock, which may be affixed by such a measure, in case a commerce, extended beyond its present amount (an event not at all improbable), should hereafter demand additional funds to carry that commerce on;—and, finally, that under a consideration of what is due to the known and experienced liberality of the Company's efforts in the public service, your Lordship's interference, with the rest of His Majesty's Ministers, will be given, to assist, what we hope, may be considered in the light of the neither unjust or the unreasonable pretensions of the Court of Directors, in behalf of the body they represent upon the present occasion. We have the honor to be, My Lord, Your most obedient humble servants,

(Signed) JACOB BOSQUET,

JOHN ROBERTS.

The Rt. Hon. Lord Viscount Castlereagh,

&c. &c. &c.

Letter from the Rt. Hon. Lord Viscount Castlereagh to the Chairman and Deputy Chairman.

Gentleman, *Whitehall, 20th December, 1803.*

I have to acknowledge the honor of your letter of the 2d instant, on the subject of which I have had a very full and deliberate discussion with Mr. Addington.

We should both feel anxiously disposed to lend our aid to the accomplishment of any measure which had a tendency to accommodate the holders of East-India Stock, but under all the circumstances of the present case, regard being had to the existing appropriations under the act of 1793, the degree in which the funds at home and abroad may be affected by the peculiar circumstances of the present year, and the difficulty that must necessarily attach to the proposition, whether it be considered in the light of relieving from the tax a particular description of income arising from property, by throwing the same on other funds, or in that of a temporary and special increase of dividend to the Proprietors, we do not feel ourselves warranted in advising the Court to submit a bill for this purpose to Parliament.

We are further of opinion, that the relief sought by the measure is not of that magnitude, which should induce the Company to solicit this indulgence from Parliament, under the difficulties above stated; nor are we persuaded if, in point of fact, other corporate bodies have so relieved themselves from the tax, that the proceeding, on their part, however warranted by law, affords a precedent, which, in principle, the East-India Company, with an enlarged view to their own interests, should be solicitous to follow.

I have the honor to be, Gentlemen,

Your most obedient servant,

(Signed) CASTLEREAGH.

The Chairman and Deputy Chairman
of the East-India Company.

Letter from the Chairman and Deputy Chairman to the Rt. Hon. Lord Viscount Castlereagh.

My Lord, *East-India House, 21st July 1804.*

It is in consequence of the instructions of a General Court of Proprietors which lately assembled, to take
into

into consideration the tax levied, in virtue of the 43d of the King, on the dividends payable on East-India stock, that we now take the liberty to address your Lordship again on that subject.

Notwithstanding the answer returned by your Lordship to the application which our predecessors in office made to you, under date the 2d December last, for the aid of His Majesty's Ministers, in order to relieve the holders of the Company's stock from the payment of the Property-tax out of their dividends, the Proprietors still think, that whether regard be had to the design and spirit of the Act of 1793, to the general state and circumstances of the Company, or to the peculiar situation of the Stock-holders, they are aggrieved by the operation given, in their case, to the Act imposing a tax on property.

It was after a full consideration and adjustment of the interests of all parties, the public, the Company, and individuals, that on the renewal of the Charter, the dividend of the Stock-holders was fixed at ten and a half per cent. per annum. The law then made, in allowing it to rise to that rate, forbade it to go higher; and the reduction of it below that rate was left to the discretion of the Proprietors themselves. This was, therefore, understood to be the fixed certain income assigned to the Members of the Company, out of all its funds, territorial and commercial. And hence, we think, it may fairly be argued, that such a deliberate formal settlement cannot justly be disturbed, but by a proceeding equally direct and appropriate; and that no mere measure of taxation, having only a general aim, without any cognizance of the peculiar circumstances under which this arrangement was concluded, ought to defeat it, because if the contrary principle be once admitted, whilst the Public is still immensely benefited by Indian revenue and trade, and all the other classes of subjects connected with them continue to derive the advantages provided for them, the Proprietors of that stock, which has been the foundation and support of the whole, may absolutely be divested of all the dividend they were to receive from it. We think, therefore, it may be contended, that conformably to the spirit of the Act of 1793, the Property-tax should not operate upon the dividend, but be a charge upon the general funds of the Company.

This will appear more reasonable, if it be considered
that

that very many of the Proprietors of India stock, who have held that stock long, receive no more on the cost of it than the common interest of money, namely five per cent, whilst their property is exposed to the influence of all the adverse contingencies to which the Company's affairs are liable; and whilst the Company, that is to say, those Proprietors in their collective capacity, serve as the channel, or medium, by which immense advantages are diffused through the nation, in its commerce, its revenues, and the wealth of all the successive races of British subjects, employed in or connected with their territories and affairs. These just observations acquire now a peculiar force, when, in duties and customs alone, the Eastern commerce pays to the State £3,226,000 per annum, and when the receipts of the Company, for the last twelve months, are diminished near a million sterling, in consequence of the new and excessive duties imposed on their trade.

We are unwilling to urge the liberality which the Company has on all occasions manifested, to aid, according to its means, the exertions of the State; but the duty imposed on us by our Constituents requires that liberality should be noticed on the present occasion. By subscribing for two millions of the Loyalty Loan in 1797, the Company lost the sum of £206,000. The three complete and effective regiments of volunteers, which they have maintained for a number of years past, have cost them very large sums, and the last aid given by them in shipping, on the particular suggestion of Government, is a new instance of the promptitude and alacrity, with which they set their funds to the support of the public interest.

For all these contributions, it has appeared ungracious to the Proprietors, that whilst other public bodies, which had not given so largely to the wants of the State, were allowed to defray the Property-tax out of their general funds, the Proprietors of East-India Stock were required to charge the modicum they received for the use of their own money, and for being the agents in such vast concerns, with a tax, laid upon them though unimportant in its amount to the Public, and from which they conceive, the Act of 1793 ought to protect the dividend then accorded to them.

When our predecessors in office mentioned a reference

to Parliament, they probably had no more in view than some supposed necessity of a modification of the Property-tax; but we humbly apprehend that, in order to exonerate the Proprietors, individually, from the payment of the tax, no such reference is necessary, since for engaging in the Loyalty Loan, for forming the three regiments of volunteers, and for the late aid of shipping, it was thought sufficient that His Majesty's Ministers should consent to the defraying of the charges arising from these measures, out of the general funds of the Company.

Wishing to state nothing upon this subject, but what appears to us naturally to grow out of it, we shall only add, that the effect of the imposed tax upon the value of the Company's stock must be very obvious, since the dividend receivable upon any public fund is, in fact, the measure of its value in the market, and every reduction, by whatever means, effected in the produce of any stock, is in reality a reduction in the worth of the capital; and, accordingly, we find that the stock of the India Company, compared with that of the Bank, sells at a price disproportionably low.

Upon all these grounds, with those which have been before urged, we cannot but request and hope, that as the determination of the point which our Constituents, not from interest only, but from various other motives, have so much at heart, seems not to depend upon any revisionary proceeding of Parliament (which however, if necessary, we should still urgently desire) but upon the acquiescence of His Majesty's Ministers, we cannot but earnestly request and hope, that it will seem expedient to your Lordship to add your own recommendation to this representation, and that you will have the goodness to submit both to the Chancellor of His Majesty's Exchequer.

We have the honor to be, My Lord,

Your most obedient humble servants,

(Signed)

W. F. ELPHINSTONE,
CHARLES GRANT.

The Rt. Hon. Lord Viscount Castlereagh,
&c. &c. &c.

LETTER from the Rt. Hon. Lord Viscount Castlereagh to
the Chairman and Deputy Chairman.

Gentlemen, India Board, 12th September 1804.

In compliance with the desire of the Court of Proprietors, as expressed in your letter of the 7th July last, I have reconsidered, with the most earnest disposition at all times to promote their wishes, the opinion which I before presumed to express, on the propriety of their dividends being discharged from any deduction on account of the late tax upon property, by causing the same to be paid out of the general funds of the Company, and I have also communicated with Mr. Pitt on this subject.

Notwithstanding the very ingenious reasoning contained in your Letter, we are clearly of opinion, that a payment of this nature, directed to the individual emolument of the Proprietors of India Stock, and not in any respect to the public service of the Company, cannot be issued, under the existing appropriations affecting their funds, without the express sanction of Parliament.

Had the tax been directly imposed on income, as under the former law, we apprehend it never would have suggested itself to the Court of Proprietors, that income derived from the dividends of the Company should enjoy any partial exemption. The policy of the Legislature has recently been, to apply the tax to the sources of income, rather than to levy it, as formerly, upon the statement of the possessor. It does not appear to us, that this change in the mode of assessment can justify a claim to personal relief from the tax itself. If not, the proposition resolves itself either into an increased dividend, or into a new appropriation of the net proceeds, enabling the Company to charge the tax on their funds generally, as some other Corporations have done, who are sole proprietors in such funds. This opens so large a question in principle, and for so small an object, either as it affects the interest of the Public or the individual Proprietors, that I should conceive, under all the circumstances, the Court will not feel disposed to press it at such a moment upon the attention of Parliament.

I have the honor to be, Gentlemen,

Your most obedient humble servant,

(Signed) CASTLEREAGH.

The Chairman and Deputy Chairman
of the East-India Company.

No. XXIII.

*At a Secret Court of Directors, held on**Wednesday, the 18th March 1812.*

The Chairman from the Committee of Correspondence laying before the Court draft of a letter to Lord Melville, to be signed by the Deputation, requesting that a longer term than that which was fixed in 1793 may be granted for the renewal of the Company's exclusive privileges, the same was read and approved; as was also

Draft of a letter to his Lordship, to be signed by the Deputation, submitting to his consideration the expediency of providing, that the additional dividend of ten shillings per cent. paid on the Company's stock, under the act of the 33d of his present Majesty, cap. 52, sec. 124, may be paid out of the general profits of the Company; and also, that authority may be given to make the Property-duty on the dividends a charge on those profits.

No. XXIV.

LETTER from the Deputation to the Rt. Hon. Lord Viscount Melville, noticed in the preceding Minute.

My Lord, *East-India House, 18th March 1812.*

Although we are aware that this may not be considered the proper time to discuss the term of years for which the exclusive privileges of the Company should be renewed, yet, under the prospect of your Lordship's soon leaving the India Board, we are anxious to avoid any delay, in requesting your Lordship's attention to that point.

On reference to the negotiations in 1793, we observe that the principal ground on which the Company founded their application for a renewal of their privileges for a long term, was, that sufficient time might be allowed for the liquidation of their debts at interest in India, the amount of which, at that period, was seven millions sterling. The term then granted was twenty years, from the 1st of March 1794, including the usual notice of three
years,

years, this term being considered adequate to the object in view.

The Company's debts at interest in India are now supposed to amount to twenty-five millions sterling, exclusive of the debt in Europe; we trust, therefore, it will be evident, that a longer term than that which was granted in 1793 is indispensable, to admit of the gradual reduction of the present debt, and the effectual operation of any measures which may be determined on for that purpose.

Without mentioning any particular term, we take the liberty of referring your Lordship to the Act of the 3d of George II. cap. 14, to shew that a longer period than that granted in 1793 has been conceded; and as, under every view of the subject, considering the contingencies of war, or other interruption, we are convinced of the necessity of a more extended term, for the purposes of liquidating debts of such magnitude, and of restoring the Company's affairs to that state of prosperity, which is essential both to them and the Public. We rely with confidence on your Lordship's concurrence in the opinion we have submitted.

We have the honor to be, with the greatest respect,

Your Lordship's most obedient, humble Servants,

(Signed)

JACOB BOSANQUET,

HUGH INGLIS,

W. F. ELPHINSTONE,

EDWARD PARRY.

The Rt. Hon. Lord Viscount Melville,

&c. &c. &c.

No. XXV.

LETTER from the Deputation to the Rt. Hon. Lord Viscount Melville, also noticed in the preceding Minute.

My Lord,

East-India House, 19th March 1812.

In addition to the subject on which we had the honor to address your Lordship yesterday, there are two points to which we are very desirous of calling your attention, before your Lordship leaves the India Board.

The

The first point, which is mentioned in the hints submitted to your Lordship on the 4th instant, is the dividend of ten shillings per cent. paid to the Proprietors, under the Act of the 33d of His present Majesty, cap. 52, sec. 124, from the separate fund of the Company.

When it was in contemplation to increase the capital stock of the Company in 1797, it was found that the payment of this dividend to the Proprietors of the new stock would have exhausted the separate fund, previous to the expiration of the present term of the Company's exclusive trade. To guard against this, a clause was inserted in the Act of 37th of His Majesty, cap. 31, authorizing the payment of a dividend of ten shillings per cent. to the Proprietors of the increased stock, from the annual profits of the Company's trade.

The additional stock has not been raised, and the separate fund has been found adequate to the payment of the dividend of ten shillings per cent. upon the existing capital hitherto, and will continue to be so until the year 1819, when it will be nearly exhausted.

As the Proprietors have derived from the dividends little more than five per cent. on the capital, it appears to us that, on the renewal of the Company's privileges, they may entertain a reasonable expectation of continuing to receive this addition of ten shillings to the usual dividend of £ 10 per cent.; and as the separate fund will not, as stated above, be sufficient for the purpose, during any probable term, for which the renewal may be granted, we take the liberty of submitting to your Lordship's consideration the expediency of providing for the additional dividend, out of the general profits of the Company.

The other point to which we request your Lordship's attention is, the payment of the Property-duty on the dividends. The Court of Directors and the Proprietors have always considered it a hardship, that this duty was not allowed to be paid from the profits of the Company; we have the honor to enclose copies of letters on this subject, which were addressed to Lord Castlereagh in 1803 and 1804, and we flatter ourselves that the arguments they contain will induce your Lordship, when the question of renewing the privileges of the Company is under discussion, to recommend that authority may be given to make the Property-duty on the dividends a charge on the general profits of the Company.

As

"As the profits of the Company were specifically appropriated by the Act of 1793, some difficulty may possibly, from that circumstance, have occurred in conceding this point; but as, in any new arrangement, the subject of appropriation will necessarily undergo considerable modification, we should hope that the objection formerly urged may easily be obviated."

"If it should be finally determined, that the surrender of any considerable proportion of the exclusive privileges of the Company is to be made, it appears to be the more necessary that some boon should be held out to the Proprietors, in alleviation of the sacrifices to which their consent may be required; we hope, therefore, we may be permitted to indulge a confident expectation of your Lordship's favorable consideration of the points now submitted."

We have the honor to be, My Lord,

Your Lordship's most obedient humble servants,

(Signed) JACOB BOSANQUET,
HUGH INGLIS,
W. H. ELLPHINSTONE,
EDWARD PARRY,
CHARLES MILLS.

The Rt Hon. Lord Viscount Melville,
&c. &c. &c.

No. XXVI.

*At a Secret Court of Directors, held on
Tuesday, the 24th March 1812.*

The Chairman from the Committee of Correspondence laid before the Court a letter from Lord Melville to the Chairman and Deputy, dated the 21st instant, stating his sentiments in reply to their letter of the 4th instant, and enclosing

A paper containing "Observations on the Mints suggested by the Deputation of the Court of Directors, 3d March 1812."

The Chairman also laid before the Court a letter from Lord Melville to the Chairman and Deputy, dated the 23d instant, in reply to the two letters which the Deputation from the Court of Directors addressed to his Lordship on the 18th and 19th instant.

The same were read.

The Chairman then moving the Court,

Ordered, That the several papers now read, together with the other correspondence, which has passed, respecting the negotiation for the renewal of the Company's exclusive privileges, be laid before the General Court to be held to-morrow, and printed, as speedily as possible, for the information of the Proprietors.

No. XXVII.

LETTER from the Rt. Hon. Lord Viscount Melville to the Chairman and Deputy Chairman, noticed in the preceding Minute.

Gentlemen, *India Board, 21st March 1812.*

I have delayed answering your letter of the 4th instant (received the 6th) until I could transmit to you, at the same time, replies to the several propositions brought forward by the Deputation of the Court of Directors, at our conference on the 4th instant.

In submitting to you these observations, however, I beg to be distinctly understood, as conveying to you only the present sentiments of His Majesty's Government on the several points to which the propositions relate. Public discussion on such an important question, may possibly produce an alteration of opinion on some of the details; and though the subject has been fully considered, it may be deemed necessary, in the further progress of the measure, to propose, on some points, regulations of a different description from those which are suggested in the enclosed observations.

The Court of Directors are perfectly correct in supposing that it is now, as it has been for a considerable time past, the fixed intention of His Majesty's Government, to withhold their concurrence from any proposition which might be submitted to Parliament for continuing to the East-India Company their privileges of exclusive trade on their present footing. It is unnecessary now to discuss, whether the provisions of the Act of 1793 (by which the Company's monopoly was so far relaxed, as to admit the goods of private merchants to be conveyed in the Company's ships) have in any degree fulfilled the expectations or intentions of the Legislature.

lature. It will not be denied, that the facilities granted by that act have not been satisfactory, at least to the merchants, either of this country or of India. They have been the source of constant dispute, and they have even entailed a heavy expense upon the Company, without affording to the Public any adequate benefit from such a sacrifice. You will do me the justice to recollect, that in all our discussions on this subject, both recently and on former occasions, the admission of the ships of merchants in this country into the trade of India, in concurrence with those of the Company, has never been urged as a measure, from which much immediate benefit would, in my opinion, be derived, either to the country or to the individuals who might embark in the speculation, and I certainly am not without considerable apprehension, that, at least on the first opening of the trade, the public expectation, as to the British territories in India affording any considerable outlet for British manufactures, beyond the amount of our present exports, may be disappointed. On that admission, however, and on the necessity of guarding against the unrestrained intercourse of Europeans with the territories of the Company, or of the native States in India (in which also I fully concur), nearly the whole of the arguments adduced by the Court of Directors against any opening of the trade are founded. But it must be recollected, that in determining the question, as to continuing the whole or a part of the Company's monopoly, it will be the duty of Parliament to consider, not merely whether it may be safe to prolong it, but whether it may be unsafe to abridge or abolish it. As far as relates to the trade with India, and several other countries included within the limits of the Company's Charter, the Court do not appear to have succeeded in establishing the proposition, that any detriment will arise to the public interest, either in this country or in India, or ultimately even to the interest of the Company themselves, from the introduction of private adventurers. If the Company carry on their trade more expensively and with less activity and industry than private individuals, it is unjust to the country, as well as to the inhabitants of British India, that the exclusive monopoly should be continued; and in such a state of things, the trade is more likely to be advantageous to the country, and beneficial to the individuals in their hands, than in those of the Company: but if the latter shall conduct it with skill and enterprise, and with due

and unremitting attention to economy, the extent of their capital, and the superior facilities which they must continue to possess, of providing their investment in India at the cheapest rate, will undoubtedly afford them the means of successful rivalship with all other competitors.

In adverting, in your letter of the 4th instant, to the statement contained in mine of the 17th December, on the proposed transfer of the Company's army to the Crown, you do not appear to have understood accurately the purport of my suggestion. I entertained no doubt, as to the expediency of continuing to the Company's Governments in India the supremacy of their military, as well as civil authority: but though various regulations may possibly be necessary, with a view to promote the discipline and efficiency of the army in India, I am not aware, that any legislative enactments are requisite, except as to the amount of force which His Majesty may be empowered to maintain in India, at the expense of the Company, and perhaps also some provisions, in regard to the relative powers of the Board of Commissioners and the Court of Directors.

In your letter of the 4th instant, you advert to the question as to how far it may be expedient to admit into the trade with this country, ships built in India and manned with Indian seamen. This is undoubtedly an important consideration, as it involves in it, to a certain extent, a departure from the principles on which the navigation system of this country has hitherto been conducted. As far as the East-India Company is concerned, it will probably be necessary to leave the matter on its present footing, during the continuance of the war; but if the trade with India is to be opened to all British ships, in the manner already pointed out, there seems to be no sufficient reason for breaking in upon the system of our navigation laws, by permitting any other than British ships, with a due proportion of British seamen, to import colonial produce into the United Kingdom.

I have not thought it requisite, in this letter, to trouble you with any observations on several points adverted to in yours of the 4th instant, which are also noticed in the enclosed paper of hints and of replies to the several propositions. I shall abstain, also, from any remarks on the calculations detailed in your letter, and which are introduced more with the view, as I conceive, to vindicate the Company in their past management of the exclusive trade to India and

and the government of their territorial possessions, than to any practical results to be derived from your statements, in relation to the matters at present in discussion between His Majesty's Government and the Court of Directors. The Committee of the House of Commons on East-India Affairs have already submitted to the House detailed statements on that part of the subject, and in any further reports which they may present they will probably complete the investigation.

I am, Gentlemen,

Your most obedient humble Servant,

(Signed) MELVILLE.

To the Chairman and Deputy Chairman
of the East-India Company.

No. XXVIII.

OBSERVATIONS on the Hints suggested by the Deputation of the Court of Directors, 3d March 1812, adverted to in the foregoing Letter.

1st, 2d, and 3d. It is deemed advisable, with a view to the security of the revenue and to other objects connected with the trade to China, to leave it on its present footing, and to guard, by proper regulations, against any encroachment on that branch of the Company's exclusive privilege.

4th. This proposition ought to be acceded to; with the reservation, however, that the Governments in India ought to be restricted from imposing new duties, without the previous sanction of the authorities in England.

5th. The Company are understood to have, in some degree, the power of regulating the internal trade of saltpetre in India; it appears, therefore, to be scarcely necessary to impose any other restrictions on the exportation of saltpetre from India, than such as may be deemed expedient for political objects, especially in time of war.

6th. The adoption of the regulation suggested in this proposition, will probably tend to the security and advantage of the public revenue, in collecting the duties on all articles imported from the East-Indies and China, as well as other countries to the eastward of the Cape of Good Hope.

7th. The Company ought at least to be indemnified from the charges incurred by this management.

8th. There

8th. There does not appear to exist any sufficient reason for preventing ships from clearing out for the East-Indies from other ports of the United Kingdom besides the port of London.

9th. It will be necessary, either by the regulations suggested in this proposition, or by others of a similar description, to guard against the evil therein described.

10th. It will probably be necessary to regulate the exportation of military stores to the East-Indies, and also of naval stores in time of war.

11th. It is understood that the object of this proposition is to secure to the manufacturers of piece goods in India the continuance of regular and constant employment, under the same system of local management, for their benefit, which prevails at present. If that object is likely to be attained, without continuing the restrictions mentioned in this proposition, it certainly would be desirable that they should cease, except in so far as it may be necessary to regulate the importation of Indian piece goods, with a view to the protection of British manufactures.

12th. As no such restriction exists at present in the importation of silk by private merchants, and as the reasons which have hitherto been adduced, on the part of the Court of Directors, for establishing such a regulation, though entitled to much consideration, do not appear to be conclusive, it will scarcely be deemed expedient to agree to this proposal.

13th. This suggestion appears to be perfectly reasonable.

14th. It is understood, that this proposition is founded on a principle of guarding against the dangers to which vessels of less burthen than four hundred tons would be exposed on a voyage to the East-Indies, and also of providing for the security of the revenue, which might be affected by permitting importations in smaller vessels. These reasons, though entitled to due consideration, do not appear to be sufficiently strong to justify the proposed restriction, or the making a distinction, in that respect, between ships trading to the East-Indies and to other countries.

15th. This seems to be reasonable.

16th. It will be necessary to provide, by proper regulations, for the care and maintenance of these persons, and for their return to the East-Indies.

17th. This proposal would be wholly inadmissible, unless

it were limited to such unexpired engagements as do not extend beyond March 1814, when the Company's present term of exclusive privileges will expire; but the public may fairly look to the Company to bear this burthen, as a compensation, to a certain extent, for the continuance of the exclusive trade to China.

18th. It will be indispensably necessary, for the purpose of guarding against the inconvenience herein alluded to, that the existing restrictions shall be continued, with such alterations as may be requisite, in the new system of trade.

19th. The number of His Majesty's forces to be maintained by the East-India Company may, without inconvenience, be limited, as herein suggested. It will be necessary, however, in consequence of the increased extent of the British territories in India, since the passing of the Act by which the number is at present regulated, that a considerable addition should be made to it.

20th. It will be necessary, that the present system of accounting between the East-India Company and the Paymaster General should be abolished, and new regulations enacted.

21st. These demands must necessarily be arranged on the principles suggested by the Committees of the House of Commons, who have reported upon the subject of the accounts herein referred to. If it were necessary or proper, in discussing the future regulations which it may be deemed advisable to establish, respecting the affairs of the East-India Company, there would be no difficulty in demonstrating, that the amount of force maintained in India has not gone beyond what was requisite for the defence and security of the Company's possessions, and for other operations, intimately and inseparably connected with those objects.

22d. The Proprietors ought to be secured, as at present, in their dividend of ten and a half per cent.

23d. The whole of the surplus funds of the East-India Company, at home and abroad, ought to be applied, in the first instance, to the reduction of debt, till it is reduced in India to the sum of ten millions, and the bond debt at home to the sum of three millions, after providing for a proportionate increase of the capital stock of the Company, if they shall think fit to avail themselves of the power now vested in them by law to that effect.

24th. It

24th. It is intended to submit to Parliament a proposition to that effect, or similar in substance.

25th. If the object adverted to in this proposition can be obtained by exclusion from the dominions of the Emperor of China, and a prohibition to import the produce of that country without license from the Company, it will be preferable to the mode herein suggested. There seems to be no reason for excluding the private trade from the Spice Islands.

No. XXIX.

LETTER from the Rt. Hon. Lord Viscount Melville to the Chairman and Deputy Chairman, also noticed in the Minute above-mentioned.

Gentlemen, *India Board, 23d March, 1812.*

I have had the honor to receive the two letters which the Deputation from the Court of Directors addressed to me, on the 18th and 19th instant.

It is undoubtedly reasonable, that the further term now proposed to be granted to the East-India Company of their privileges of exclusive trade and the government of the British territorial possessions in India, should be for such a period, as may be sufficient, if unforeseen contingencies do not arise, to produce a considerable reduction of the debt, both in India and at home. The experience, however, of the last twenty years, has sufficiently demonstrated, that it is impossible to calculate, with any degree of accuracy, on what may be the state of the Company's affairs in India at the expiry of another period of the same duration. If they are prosperous, the same term as was granted in 1793 will be sufficient for the purposes described in your letter of the 18th; but if untoward events shall occur, and the Company shall be again engaged in expensive wars, it will be desirable that Parliament should have the opportunity of reconsidering the subject, and of making such new provisions as the case may appear to require. Under these circumstances, I do not think it will be advisable to propose a longer term than what was granted by the Act of 1793, *viz.* twenty years from the expiry of the existing period, with three years previous notice.

I have

I have no hesitation in admitting that the suggestion in your Letter of the 19th instant, relative to the continuance of the dividend of ten shillings per cent. on the existing capital of the East-India Company, after the separate fund shall be exhausted, is reasonable, and that it will be proper to comply with it.

Your proposition, in regard to the payment of the Property-tax, requires much more consideration, and I cannot, at present, bring myself to concur in the expediency of agreeing to submit it to Parliament. A confident expectation may be entertained, from the state of the Company's revenues in India, and from the reduction of expense which has already taken place, or which may still be effected, both at home and abroad, by means completely within your power, that a large annual surplus will be available towards the reduction of debt, but when it is recollected, that though the amount of the debt in India has recently been considerably diminished, it has been proportionably increased at home, and considering, also, that provision must be made, for the possible contingency of the Company having to pay, in this country, the interest, not only of their large debt at home, but also of the whole debt of India. I do not think that it would be wise or prudent, at least till after the experience of a few years, to make an addition to the permanent charges of the Company at home, to the amount of the Property-tax upon their dividends.

I am, Gentlemen,

Your most obedient humble servant,

(Signed)

MELVILLE.

The Chairman and Deputy Chairman
of the East-India Company.

FURTHER PAPERS.

No. XXX.

NOTE *from Lord Melville inclosing Copy of a Resolution of a Meeting of Persons interested in the Tin Trade.*

Lord Melville presents his compliments to the Chairman and Deputy Chairman, and transmits for their consideration, the inclosed copy of a resolution of a meeting of persons interested in the Tin trade, which was communicated to him by Mr. Tyrwhitt.

India Board, 5th March, 1812.

“RESOLVED, “ *Redruth, 24th February, 1812.*

“ That Lord Falmouth, Lord De Dunstanville, the
“ Lord Warden, the County Members, Davies Giddy,
“ Esq., Mr. Unwin, and any other gentlemen of the
“ county, interested in the tin trade, who may happen
“ to be in London, be desired to use their endeavours to
“ get a clause inserted in their charter, binding them to
“ export a certain quantity of tin, not exceeding 1200
“ tons per annum, at a certain price, to be fixed at
“ twenty per cent. under the average price of tin in
“ London in each year.”

No. XXXI.

LETTER *from the Chairman and Deputy Chairman to the Rt. Hon. Lord Viscount Melville, in reply to the preceding Note.*

MY LORD, *East-India House, 21st March 1812.*

We have laid before the Court of Directors of the East-India Company, your Lordship's note dated the 5th instant, transmitting copy of a resolution of a meeting
of

of persons interested in the tin trade of the county of Cornwall, held at Redruth, on the 24th ultimo, desiring the Noblemen and Gentlemen of that county to use their endeavours to get a clause inserted in the East-India Company's Charter, binding the Company to export a quantity of tin, not exceeding twelve hundred tons per annum, at a price to be fixed at twenty per cent. under the average price of tin in London each year; and we have been requested to inform your Lordship, that the Court have been uniformly actuated by the strongest wish to extend generally the sale of British manufactures and produce within the limits of the Company's exclusive trade, and that the Court doubt not that the correspondence which has from time to time taken place, between them and the gentlemen interested in the British Mines, together with the increase of three pounds per ton which the Court have agreed to pay in the present year, have impressed those gentlemen with a full conviction that the article of tin has been a very particular object of the Court's attention.

That in pursuance of the arrangement made between the East-India Company and the county of Cornwall, in the year 1789, there has been sold at the several factories in India and at China, in twenty-two years, the total quantity of sixteen thousand six hundred and fifty (16,650) tons of British tin, for the sum of one million three hundred and ninety-nine thousand two hundred (1,399,200) pounds sterling, which gives the average annual quantity of seven hundred and fifty-six (756) tons, and the average sale price of eighty-four pounds (£84) per ton.

That it is understood, the quantity of tin annually imported into Canton amounts to about eighteen hundred (1800) tons, and that the Court are most ready and desirous to use their endeavours, that the whole of the supply of that country, and also of the Peninsula of India, should be from the mines of Cornwall. But the Court fear, that the circumstances hereafter noticed will be found to be such, as to render it a matter of difficulty to maintain the export of British tin at its present average annual quantity of about eight hundred tons, and consequently, that a permanent annual export of twelve hundred tons will have a tendency, by overstocking the

market, to reduce the sale price in Asia, and to produce a loss, even at the *present* rate of cost paid by the Company, but which being superadded to the *increase of cost* required by the resolution of the gentlemen interested in the tin mines, would cause a loss of most enormous extent to fall upon the Company, and which the Court are satisfied could not have been in the contemplation of the gentlemen who framed the resolution which has been transmitted to the Court.

That it is well known to the gentlemen of the county of Cornwall, that Malacca, Banca, and other places in the eastern parts of India, produce tin in great abundance : and as some of these territories are now under the dominion and government of His Majesty ; and as the restrictions which have lately checked the trade of others, which still remain under their native princes, will have been removed by the annihilation of the power of the Dutch and French in the Eastern Seas, and the withdrawing of the obstructions to free intercourse consequent to a state of war, it would seem to follow of course, that the exportable commodities of those countries will find a more quick circulation in the places where they are required, and that Malay tin will be sent to China in considerable quantities, as formerly.

That the Dutch Company are understood to have had a treaty with the chief of the island of Banca, by which that personage was bound to deliver to them the whole of the tin produced in his territories, at the price of twenty-seven florins per hundred pounds Dutch weight, which is equal to about forty-seven pounds ten shillings per ton, English weight ; but which treaty being compulsory on the part of the Dutch, was evaded, whenever it was in the power of the native chief to obtain surreptitious sales at a higher price ; and from the information which the Court have obtained, the fair current price of Banca tin may be stated at from sixty-seven pounds to seventy pounds sterling per ton. The Dutch Company obtained about one thousand tons of Banca tin annually, at the treaty price of £47 10s., part of which they sold in Asia, and part was sent to Europe, in the regular course of their trade. Tin is also produced, in considerable quantities in the countries lying on the Western side of South America ; and the Court could, at the present time, purchase

chase a quantity of South American tin, now in Spain, but which of course they decline, not intending, on any account, to encourage foreign tin.

That as there does not appear to be any sufficient reason to expect that British tin will produce a higher price in China than Banca tin, and as the Court see no reason whatever to hope, that the average prices which have been obtained for tin in the last twenty-two years will be exceeded in the ensuing twenty-one, so the Court would not be strictly justified in taking a higher sum for the future estimated sales than £84 per ton, or fifteen taels per pecul.

That it further appears, the average price of all the tin which has been received by the Company from the county of Cornwall has amounted to seventy-four pounds one shilling per ton, at which rate of cost the Court will state the price which the tin ought to produce in China, to reimburse the Company in the actual charges, except the freight, which the Court propose wholly to omit, they being ready to carry the tin out freight free.

Cost per ton, as above	-	-	-	-	£74	1	0
Freight	-	-	-	-	0	0	0
Insurance, 3 per cent. in time of peace, 6 per cent. in war, say $4\frac{1}{2}$ per cent.	-	-	-	-	3	6	8
Omit charges in England	-	-	-	-	0	0	0
Charges actually paid in China, 2 per cent. commission, besides boats and charges of the Factory, but say only 2 per cent.	-	-	-	-	1	9	8
Interest for four months, at 5 per cent. per annum	-	-	-	-	1	4	8
Total cost of a ton of tin	-	-	-	-	£80	2	0

That it appears from the above calculation, the Company have hitherto received the difference between £84 per ton and £80 2s. per ton, say £3 18s., as a compensation for freight and charges of establishment; but as the Court have, in the present season, agreed to receive eight hundred tons of tin at the advanced price of £78 per ton, the computation will hereafter be as follows:

Cost price per ton	-	-	-	-	£78	0	0
Carried forward	-	-	-	-	£78	0	0
Freight	-	-	-	-			

	Brought forward	-	£78	0	0
Freight			0	0	0
Insurance $4\frac{1}{2}$ per cent. average of war and peace	-	-	3	10	2
Charges in England	-	-	0	0	0
Ditto in China, 2 per cent.	-	-	1	11	2
Interest, four months	-	-	1	6	0
			£84	7	4

Estimated sale proceeds, on an average of twenty-two years, is 15 tales 0 mace per pecul, or per ton	-	-	-	-	84	0	0
Difference	-	-	-	-	£	0	7 4

being a loss of 7s. 4d. per ton exclusive of freight and charges of establishment.

But as the Court are desirous of extending to the utmost the advantages which may arise to the county of Cornwall on the present occasion, they propose that the last price of tin in China known to the Court, viz. 15 tales 5 mace per pecul, should be taken as the standard of computation, although the Court are fully satisfied that that price will not be obtained for a series of years, in case of an enlarged exportation of twelve hundred tons.

The estimate will then be: cost and charges of a ton of tin, at £78, as before -

ges of a ton of tin, at £78, as before -	£84	7	4
Sale proceeds, at 6s. 8d. the tale, and 15			
tales 5 mace the pecul - - - -	86	16	0

Difference	-	-	£	2	8	8
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which difference of £2 8s. 8d. per ton is to defray freight and charges, as before.

That the Court having thus fairly and explicitly represented the experience of the past, and assumed the most favorable view of the future state of the trade in British tin to the countries within the Company's exclusive limits, the Court will revert to the effects which would probably be produced by the adoption of the proposition of the county of Cornwall, as to an exportation of twelve hundred tons of tin, at a price to be fixed, from time to time, at twenty per cent. below the London current price.

That

That the price of Cornish tin, in the year 1750, was about £71. 10s. per ton in London, at about which price it continued (with some fluctuations) until the year 1789, the date of the agreement with the Company, in which year the average price was £70. 10s. per ton in London.

That in consequence of the arrangement with the Company in 1789, whereby the surplus quantity of Cornish tin has been taken out of the London market, the price of that tin has risen to £100, £120, £150, and even £171 per ton, whereby the miners have been enabled to work their deepest mines, and to meet the pressure of the times, in as much that the agency of the Company, in this particular, has been termed the political salvation of the country.

That the price of British tin, this day, in London, is reduced to £133 per ton, although a parcel of prize Asiatic tin has now produced at the Company's sales as high a price as £187 per ton, the fall in British tin arising, the Court apprehend, from the markets here being overstocked, by reason that the miners have declined to deliver to the Company, in the last three years, the usual quantity of tin for exportation to China.

That it cannot be doubted but that the price of tin will again advance in London, so soon as the usual exportation to China shall take place; but the Court will assume merely, that it shall remain stationary, at the present price of £133 per ton.

That in this view of the case, which it cannot be supposed will happen, but that the price must greatly rise beyond its present rate, the proposition before the Court will operate to the Company's loss, as follows:

The future market price of tin, per estimate	£133	0	0
Deduct 20 per cent.	-	-	-
		26	12 0
Leaves the price to be paid by the Company	106	8	0
Add freight	-	-	-
		0	0 0
Insurance, war,* 6 per cent.	-	-	-
		5	6 4
Charges in China actually paid, 2 per cent.		2	2 6
Charges establishments in England and China	-	-	-
		0	0 0
Interest 4 months, at 5 per cent. per annum		1	15 5
Cost and charges of a ton of tin	-	-	-
		115	12 3

* Peace insurance, 3 per cent.

	Brought forward	£115	12	3
Sale price in China, at the rate of 15 taels 5				
mae per pecul, is per ton	- - - - -	86	16	0
Which leaves the loss on each ton of tin at		£28	16	3

And supposing that twelve hundred tons are taken each year, the annual loss will be £34,575 : and further, if it be contemplated that the contract shall be binding upon the East-India Company for twenty-one years, the gross loss in that time, at compound interest, will accumulate to upwards of £1,300,000.

That the Court are fully sensible of the obligation which is imposed upon the Company, in return for the exclusive privilege of trade to China, to exert their utmost endeavours to extend the consumption of British manufactures and produce in that empire; a duty which they have most actively performed; and in the present instance with eminent success.

That the Court desire steadily to follow the same principles, and will therefore carefully abstain from making any observations on the present occasion which may call for a reply; but as it has been demonstrated, that the present comparatively favorable condition of the tin miners has arisen entirely from the Company taking off their surplus tin, without any profit, or expectation of profit to themselves, it cannot be reasonably expected, that the success and stability which have been occasioned to the mining interests, should be urged as a cause to prove that the Company should embark in a new undertaking, which will most certainly be productive of the ruinous effects above-mentioned.

That as the gentlemen of the county of Cornwall have, during the whole course of the last arrangement (twenty-two years), expressed themselves satisfied with the justice, and indeed with the liberality of the Company's proceedings, the Court cannot but consider, that those gentlemen were not sufficiently informed of the actual state of the tin trade in Asia, when they drew up the resolution now under consideration.

That the Court cannot, therefore, consent to pledge the East-India Company to receive tin at the high price now contemplated, nor at any indefinite price dependant upon

upon future contingencies; but that the Court will be ready to purchase of the county of Cornwall the annual quantity of eight hundred tons of tin, at the price of £80 per ton, payable by bills of exchange, at twelve months date, as at present, with interest for six months, at five per cent. per annum in time of war, and four per cent. per annum in time of peace, the estimated out-run of which will probably be as follows, *viz.*

Cost of a ton of tin - - - - -	£80	0	0
Freight - - - - -	0	0	0
Insurance, 6 per cent. in war * - - -	4	16	0
Charges in England - - - - -	0	0	0
Commission in China, 2 per cent. - -	1	12	0
Charges Establishment in China, boats, and interest four months at 5 per cent. per annum. - - - - -	1	6	8
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Total cost and charges of a ton of tin -	£87	14	8
Sale in China, estimated to be 15 tales 5 mace per pecul, or per ton - - - -	86	16	0
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Loss per ton - - - - -	£0	18	8
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And that the Court will be ready to take a further annual quantity of four hundred tons, should the County see fit to offer the same, at the price of £75 per ton, payable as above.

But that should the newly acquired territorial possessions in the Indian seas, aided by the events which are passing in South America, open facilities for importing increased quantities of tin into China, so as to reduce the price there in any considerable degree, it is to be understood, that the sum of £80 and £75 per ton shall undergo revision, with a view to a just and proportionate reduction: on the contrary, should the price of tin be advanced in China, the Company will be ready to make an equivalent addition to the prices now conceded.

That should the county of Cornwall not approve the above propositions, the Court will be ready to receive annually twelve hundred tons of tin, and to consign the same to China, free of freight, there to be sold on account

* In peace 3 per cent.

of the proprietors, deducting only the insurance and actual expences, agreeably to the plan suggested by Nicholas Downethorne, Esq. Chairman of the Quarterly Tin Meetings in Cornwall, in the year 1789.

That the Court are desirous, that the County should adopt the latter proposition of receiving the actual sales in China, rather than the former, of selling the tin to the Company at £80 per ton; and as it may be desirable to the proprietors of the tin to receive the greater part of the estimated proceeds before the account sales can arrive in London, the Court will agree to advance bills, as at present, at the rate of £60 per ton, upon the delivery of the tin to the Company, in London, to be repaid with interest at five per cent. per annum, out of the amount of the sales.

We have the honor to be, My Lord,
Your most obedient humble servants,
(Signed) JACOB BOSANQUET,
HUGH INGLIS.

The Right Hon. Lord Viscount Melville,
&c. &c. &c.

No. XXXII.

At a General Court of the United Company of Merchants of England trading to the East-Indies, held on

Wednesday, the 25th March 1812.

The Chairman acquainted the Court, that it is made special, for the purpose of laying before the Proprietors the communications which have taken place between His Majesty's Government and the Court of Directors, respecting the renewal of the Company's Charter.

The following papers were then laid before the Court and read, viz.

Letter from the Right Honorable Robert Dundas to the Chairman and Deputy Chairman, dated the 30th September 1808.

Minute of a Secret Committee of Correspondence, the 12th October 1808; and

Letter

Letter from the Chairman and Deputy Chairman to the Right Honorable Robert Dundas, dated the same day.

Minute of a Secret Court of Directors, held on Friday the 16th December 1808; and

Letter from the Chairman and Deputy Chairman to the Right Honorable Robert Dundas, dated the same day.

Minute of a Secret Court of Directors, held on Friday, the 13th January 1809; and

Letter from the Right Honorable Robert Dundas to the Chairman and Deputy Chairman, dated the 28th December 1808

Minute of a Secret Court of Directors, held on Tuesday, the 17th January 1809.

Letter from the Chairman and Deputy Chairman to the Right Honorable Robert Dundas, dated the 13th January 1809.

Minute of a Secret Committee of Correspondence, the 28th February 1809.

Letter from the Chairman and Deputy Chairman to the Right Honorable Robert Dundas, dated the 5th December 1809.

Letter from the Right Honorable Lord Viscount Melville to the Chairman and Deputy Chairman, dated the 17th December 1811.

Minute of a Secret Court of Directors, held on Monday, the 2d March 1812.

Letter from the Chairman and Deputy Chairman to the Right Honorable Lord Viscount Melville, dated the 4th March 1812.

Minute of a Secret Court of Directors, held on Friday, the 6th March 1812.

Hints approved by the Committee of Correspondence, and submitted to the consideration of the Right Honorable Lord Viscount Melville.

Letter from the Deputation to the Right Honorable Lord Viscount Melville, dated the 18th March 1812.

Letter from the Deputation to the Right Honorable Lord Viscount Melville, dated the 19th March 1812.

Minute of a Secret Court of Directors, held on Tuesday, the 24th March 1812.

Letter from the Right Honorable Lord Viscount Melville to the Chairman and Deputy Chairman, dated the 21st March 1812.

Observations on the Hints suggested by the Deputation of the Court of Directors the 3d March 1812, adverted to in the foregoing letter.

Letter from the Right Honorable Lord Viscount Melville to the Chairman and Deputy Chairman, dated the 23d March 1812.

It was then moved, and on the question,

Resolved Unanimously, That the consideration of the above mentioned papers be adjourned till Thursday next, the 2d April.

No. XXXIII.

At a Secret Committee of Correspondence,
the 31st March 1812.

Read again, and considered, letter from Lord Melville, dated the 21st March, and his Lordship's observations on the Hints.

No. XXXIV.

At a General Court of the United Company of Merchants of England trading to the East-Indies,
Held on Thursday, the 2d April 1812.

Minutes of the last Court of the 25th ultimo were read.

The Chairman acquainted the Court that it was assembled for the purpose of taking into consideration the papers which were laid by the Court of Directors before the General Court on the 25th ultimo.

It was then moved, and after a mature deliberation,

Resolved Unanimously, That this Court having perused the papers laid before them at the last General Court, desire to express the high sense which they entertain of the great ability, zeal, and fidelity, with which the Directors have maintained the interest of the East-India Company. They return them thanks for the powerful and convincing arguments by which they have shewn the danger which would await the British empire, from opening the trade of India, and the immense advantages which
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the nation has derived, in strength, revenue, territory, and character, from the capital and the exertions of this Corporation.

That although this Court will feel it their duty, on all occasions, to bow to the determination of the Legislature they cannot but observe with extreme concern, that no proposition is suggested of an increased or further dividend, either now or hereafter, or advantage of any kind whatever, to the Proprietors of East-India Stock ; notwithstanding the negotiation for the renewal of the Charter, in 1793, began with a proposal for an increase of dividend of two per cent., which Charter opened the trade but in a limited and partial degree ; and notwithstanding that, while such great and progressive advantages have been obtained for the public at large, the Proprietors themselves have made little more than common interest of their money. That now to be called upon to part with an undefined proportion of a trade thus established, and maintained hitherto at their sole expence, without any consideration for the same, seems to them to be wholly inequitable. Under these impressions, this Court confides to the Honorable Court of Directors the care of its interests in the farther negotiation for a new Charter, trusting to the justice of their fellow citizens, as well as to His Majesty's Government and to Parliament, that they shall receive that liberal treatment, which they regard themselves as so eminently entitled to at the hands of their country.

And that the Directors be requested to report their proceedings, from time to time, to this Court.

That this Court cannot contemplate the essential change proposed in the constitution of the Company, by an unrestrained trade to and from India, without great concern and apprehension ; not so much on account of the injury to which it will subject the Company in their commercial privileges and profits, as on account of the tendency which such a change must have to affect the system established by the Legislature, for the civil and political government of the Company's territorial possessions, whilst it is not at all likely to afford to the commercial interests of this country the advantages expected from it.

Should, therefore, the opening of the trade to India be

be the ultimate determination of Parliament, this Court cannot but express its hope, that all due care will be taken to accompany the enlargements which shall be given to individuals in the Indian trade, with such regulations as shall most effectually guard against the dangers to which those enlargements might expose the existing system of Indian administration.

Draft of a petition to the Honorable House of Commons was then read, being as follows. [See No. XXXV.]

It was then moved, and on the question,

Resolved, That this Court do approve the above petition.

The Court then, on the question adjourned.

No XXXV.

Copy of a Petition from the East-India Company to the Honorable House of Commons, noticed in the preceding Minute.

To the Honorable the Commons of the United Kingdom of Great Britain and Ireland in Parliament assembled.

The humble Petition of the United Company of Merchants of England trading to the East-Indies,

SHEWETH,

That by an Act of Parliament made and passed in the thirty-third year of the reign of His present Majesty, entitled, “ An Act for continuing in the East-India Company, for a further term, the possession of the British territories in India, together with their exclusive trade, under certain limitations for establishing further regulations for the government of the said territories, and the better administration of justice within the same : for appropriating to certain uses the revenues and profits of the said Company, and for making provision for the good order and government of the towns of Calcutta, Madras, and Bombay ;” reciting, that it was expedient that the exclusive trade of your Petitioners, within the limits of their charter, which by an Act made in the twenty-first year of his Majesty’s reign,

reign, for establishing an agreement with your Petitioners and other purposes, was continued to them for a term thereby limited, should be further continued to them and their successors, under certain limitations and restrictions, for a term of twenty years, to be computed from the 1st day of March 1794, liable to be discontinued, at or after the end of such period, upon three years' notice previously given by Parliament for that purpose; and that, during the said further term, all the territorial acquisitions obtained in the East-Indies, which by an Act made in the seventh year of his Majesty's reign, for establishing an agreement for the payment of a certain annual sum, for a limited time, by your Petitioners, in respect of the said acquisitions and the revenues thereof, and by subsequent Acts were continued in the possession of the said Company, together with the territorial acquisitions then lately obtained there, with the revenues of the same, respectively, should remain in the possession of your Petitioners, without prejudice to the claims of the Public or of your Petitioners, subject to such powers and authorities, for the superintendence, direction, and control over all acts, operations, and concerns, which related to the civil or military government or revenues of the said territories, as had been then already made or provided by any Act or Acts of Parliament in that behalf, and to such further powers, and under and subject to such other rules, regulations, and restrictions, relating to or concerning the said civil government and the appropriation of the said revenues, as should be then made and provided by the authority of Parliament; it was thereby enacted, that the said territorial acquisitions in the said former Acts mentioned, together with the territorial acquisitions then lately obtained in the East-Indies, with the revenues thereof respectively, should remain and continue in the possession of your Petitioners, for and during the farther term by that Act granted to them in the said exclusive trade, subject nevertheless to the several regulations and provisions in that Act contained. And by the said Act His Majesty was empowered to nominate, constitute, and appoint, during his pleasure, such Members of the Privy Council, of whom the two principal Secretaries of State and the Chancellor of the Exchequer for the time

time being should always be three, and such other two persons as His Majesty should think fit to be, and who should accordingly be and be staid Commissioners for the affairs of India. And the said Board of Commissioners were, by the said Act, invested with full power and authority to superintend, direct, and control all acts, operations, and concerns, which in any ways should relate to or concern the civil or military government or revenues of the said territories and acquisitions in the East-Indies, subject nevertheless to such directions, rules, regulations, and restrictions, and to such appropriations of the said revenues, as were by that Act made, provided, and established. And it was further enacted, that your Petitioners and their successors should have, use, and enjoy, and should continue to have, use, and enjoy, the whole, sole, and exclusive trade and traffick, and the only liberty, use, and privilege of trading, trafficking, and exercising the trade or business of Merchandize, in, to, and from the East Indies, and in, to, and from all the islands, ports, havens, coasts, cities, towns, and places, between the Cape of Good Hope and the Streights of Magellan, and limits in an Act made in the ninth year of the reign of King William the Third, or in a certain charter of the fifth day of September, in the tenth year of the same King, mentioned, in as ample and beneficial manner as your Petitioners could thereby or otherwise lawfully trade thereto, subject nevertheless to the several limitations, conditions, and regulations in that Act contained, and also subject to the proviso thereafter contained, for determining the same, any former Act or Acts, matter or thing, to the contrary notwithstanding. And it was further enacted, that your Petitioners should, at all times thereafter (subject as aforesaid) have, hold, and enjoy, and be entitled unto all and singular the profits, benefits, and advantages, privileges, franchises, abilities, capacities, powers, authorities, rights, remedies, methods of suits, penalties, forfeitures, disabilities, provisions, matters, and things whatever, which by any former Act or Acts of Parliament, or by any Charter or Charters founded thereupon, or by any clause or clauses in the said Acts or Charters contained, were enacted, given, granted, provided, limited, established, or declared, to, for, touching, or concerning your Petitioners, either by the
name

name of the General Society entitled to the advantages given by an Act of Parliament for advancing a sum, not exceeding two millions, for the service of the Crown of England, or the body politic and corporate, called by the name of the English Company trading to the East-Indies; or the body politic and corporate called by the name of the United Company of Merchants of England trading to the East-Indies, and not by that Act, or any other Act then in force, repealed or altered, according to the tenor and true meaning of the said Acts and Charters, and of that Act, freed and discharged from all provisoes and conditions of redemption and determination, in any former Act or Acts contained; and the same, and every of them, were and was thereby ratified and confirmed, and to continue to be held and enjoyed, and be practised and put in execution by your Petitioners and their successors, for the better and more effectually settling and securing to them and their successors the whole, sole, and exclusive trade to the East-Indies and parts aforesaid. And for the preventing trade thereto, contrary to the true intent and meaning of that Act, and for securing also their possessions, estates, and effects, and governing their affairs and business, in all respects, as fully and effectually, as if the same profits, benefits, advantages, trade, privileges, franchises, abilities, capacities, powers, authorities, rights, remedies, methods of suit, penalties, forfeitures, disabilities, provisions, matters, and things, were severally repeated and at large re-enacted in the body of that Act; subject nevertheless to such restrictions, covenants, and agreements, as were contained in the said Acts or Charters then in force, and not therein or thereby repeated, varied, or altered, and subject also to the several enactments, conditions, limitations, and provisoes, in that Act contained. And it was thereby further enacted, that at any time, upon three years' notice to be given by Parliament, after the first day of March, which would be in the year of our Lord one thousand eight hundred and eleven, upon the expiration of the said three years, and upon payment made to your Petitioners, of any sum or sums which, under the provisions of any Act of that present session of Parliament, should or might, upon the expiration of the said three years, become payable to your Petitioners by the Public, according to the true intent,

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and meaning of such Act, then and from thenceforth, and not before or sooner, the said right, title, and interest of your Petitioners to the whole, sole, and exclusive trade to the said East-Indies and parts aforesaid, should cease and determine. And it was thereby further enacted, that nothing in the said proviso, last therein before contained, or in any proviso in the said Act of the ninth year of King William the Third, or in the said Charter of the fifth day of September, in the tenth year of his reign, or in any other Act or Charter contained, should extend, or be construed to extend, to determine the corporation of your Petitioners, or to hinder, prevent, or preclude your Petitioners or their successors, from carrying on, at all times after such determination of the right to the sole, whole, and exclusive trade, as aforesaid, a free trade into and from the East-Indies and parts aforesaid, with all or any part of their joint stock, in trade, goods, merchandizes, estate, and effects, in common with other the subjects of His Majesty, his heirs and successors, trading to, in, and from the said parts or limits. And by the said Act, it is enacted, that for and during so long time as your Petitioners should be entitled to the whole, sole, and exclusive trade and traffic into and from the East-Indies, and other places within the limits of their Charter, subject to the provisions, regulations, and limitations in that Act contained, the clear profits arising from the said territorial acquisitions and revenues in India, after defraying the charges and expences of collecting the same, should be applied and disposed of to the uses and purposes therein mentioned and expressed; and also that during the continuance of the exclusive trade to your Petitioners, the net proceeds of their sales of goods at home, with the duties and allowances arising by private trade, and all other profits of your Petitioners in Great Britain, after providing for the payment of bills of exchange then already accepted by your Petitioners, as the same should become due, and for the current payment of other debts, interest, and other outgoings, charges, and expences of your Petitioners (their bond debt always excepted), should be applied and disposed of in the manner therein mentioned, as by the said Act, relation being thereunto had, may more at large appear.

That the notice required by the said Act of Parliament hath.

hath been given by the Speaker of your Honorable House, for determining the exclusive trade of your Petitioners, on the 10th day of April, one thousand eight hundred and fourteen.

That since the said Act was passed, further territorial acquisitions, yielding a large revenue, have been obtained by your Petitioners, and such acquisitions have been annexed to the several governments of your Petitioners in the East-Indies, and sundry debts, to a large extent beyond what are mentioned in or referred to by the said Act, have been incurred by your Petitioners, in the defence and protection of the British possessions in India, and by reason of wars, in which the British nation has been engaged with European powers.

That such debts bear interest, and some of them are due in the East-Indies, and others of them have been discharged by your Petitioners, by means of money raised on their credit in this country, under the authority of Parliament.

That by virtue of the terms of the obligations for other part of such Indian debt, further sums, to a large amount, will be payable shortly in this country, for which purpose it will be necessary for your Petitioners to raise a further sum of money here.

That the system established by the said Act, for the government of the territorial acquisitions in the East-Indies, for the management of the revenues thereof, and for the general conduct of the affairs of your Petitioners, hath been approved by experience; but the appropriations made by the said Act of the profits arising from the territorial revenues in India, and of the profits of your Petitioners at home, appear to your Petitioners to be inapplicable to the present state of the Indian debts and resources, and of the concerns of your Petitioners.

That your Petitioners believe, that it is undeniable, that the exclusive trade carried on by your Petitioners has been a great positive advantage to the nation; and although they do not presume to state as an incontrovertible fact, that greater public benefit would accrue from its being continued in its present state, than from its being any further opened, yet your Petitioners do venture humbly, but confidently, to assure this Honorable House, that the

trade with China could not be opened in any degree, without extreme danger.

That if it should not be seen fit to enlarge the term now held by your Petitioners in the whole of the trade which they now enjoy, without qualification, your Petitioners are ready to submit to such regulations as shall be just, and as Parliament, in its wisdom, shall enact, for the conduct of the commercial intercourse of His Majesty's subjects, with those places which are within the exclusive limits granted to your Petitioners.

That on account of the length and variety of the matters necessary to be considered and prepared, in relation to the subject of this petition, your Petitioners were unable to prepare a petition, praying leave to bring in a bill or bills, relative to the Indian territories and trade, until the time limited for presenting petitions for private bills was expired.

Your Petitioners therefore most humbly pray, that leave may be given to your Petitioners, now to present a petition to this Honorable House, praying that leave may be given to bring in a bill or bills, for continuing the possession, government, and management of the territorial acquisitions in the East-Indies, in your Petitioners, subject to regulation; and for altering the appropriations of the profits arising from the Indian revenues; and for enabling your Petitioners to raise such sums of money, or to contract such pecuniary obligations as their affairs may require, in respect of the payment, in this country, of debts originally contracted in India; and for settling the trade to the East-Indies and China, and other places from the Cape of Bona Esperanza to the Straights of Magellan; or that your Petitioners may have such other relief as their case may require.

And your Petitioners, as in duty bound, shall ever pray, &c.

MEMORANDUM: The Petition prayed leave to be presented is recited in the above Petition.

No. XXXVI.

At a Meeting of the Deputation,

The 4th April 1812.

The Chairman stated, that himself and the Deputy had a conference yesterday with the President of the Board of Commissioners.

Read again, and considered, the Hints and the Observations on them.

No. XXXVII.

At a Secret Committee of Correspondence,

The 6th April 1812.

The Chairman stated to the Committee, that the Chairs had a conference yesterday with the President of the Board of Commissioners.

Letter from Lord Melville, dated the 21st March, was read, and further considered.

No. XXXVIII.

At a Court of Directors, held on

Monday, 6th April 1812.

On a motion,

Ordered, That the Company's seal be affixed to their Petition to the Honorable House of Commons, which was approved in Court and in the General Court on the 2d instant; also to a Petition for leave to present the same: and that such Members of this Court as are Members of the House of Commons be requested to present the said Petitions.

No. XXXIX.

At a Court of Directors, held on

Thursday, 9th April 1812.

On a motion,

Resolved, That agreeably to the Court's resolution of
the

the 2d ultimo, appointing a Deputation of Directors to confer with His Majesty's Ministers, on the subject of a renewal of the Company's exclusive privileges, the undermentioned gentlemen be appointed for that purpose, viz.

The Chairman,
 Deputy Chairman,
 The Honorable William Fullarton Elphinstone,
 Jacob Bosanquet, Esq.
 Charles Grant, Esq.
 George Smith, Esq.
 Edward Parry, Esq.
 William Astell, Esq.

No. XL.

At a Meeting of the Deputation,

The 11th April 1812.

The Chairman stated, that the Deputy and himself had a conference with the Earl of Buckinghamshire on Tuesday last.

Read again the Hints and Observations, and deliberated thereon, as far as Article 12;—

And adjourned to Monday next, at two o'clock

No. XLI.

At a Meeting of the Deputation,

The 13th April 1812.

Proceeded in deliberating further on the Hints and Observations, and

Adjourned to Wednesday next.

No. XLII.

At a Meeting of the Deputation,

The 15th April 1812.

Draft of a letter to the President of the Board of Commissioners was read and approved,

And

THE EAST-INDIA COMPANY'S CHARTER.

And the Chairman was requested to submit the same to the Court of Directors this day.

No. XLIII.

At a Secret Court of Directors,

Held on Wednesday, the 15th April 1812.

The Chairman from the Committee of Correspondence submitting to the Court draft of a letter to the President of the Board of Commissioners for the Affairs of India,

The same was read and unanimously approved.

No. XLIV.

LETTER from the Deputation to the Right Honorable the Earl of Buckinghamshire, noticed in the preceding Minute.

My Lord, *East-India House, 15th April 1812.*

The correspondence between the President of the Board of Commissioners, on the part of His Majesty's Government, and the Court of Directors of the East-India Company, on the subject of the renewal of the Company's Charter, having been laid before the General Court of Proprietors, we now, in consequence of the resolutions of that body, propose to ourselves the honor of continuing the correspondence with your Lordship, and especially to reply to the letters of the late President, dated the 21st and 23d of March, and to his *Observations* accompanying the former of these letters.

In the first place, however, permit us to offer some remarks on the outlines of the negotiation, as far as it has hitherto advanced, and on the opposition which has begun to shew itself to certain propositions, respecting the necessity and importance of which His Majesty's Government and the East-India Company appear to have entertained similar sentiments.

It is manifest, from the letters written on the part of the Court of Directors, that they have contemplated with the utmost reluctance such an enlargement of the trade to India, as seemed to be desired by His Majesty's Ministers, because they

they believed that the commercial advantages expected from it to this country would not be realized, and feared that it might eventually endanger the security of the British possessions in the East. We must desire on the part of the Court of Directors, distinctly, and in the face of the country, to state this opinion, not as advanced without conviction, to serve a cause, but as the genuine result of such knowledge and experience as the Court possess, upon a subject respecting which they have better means of information, than any of those associations who are now eager to take full possession of the Eastern trade, and upon which also it is certainly material that the Public should form just ideas. We have, indeed, yet seen no arguments advanced, in answer to those reasons which the Court have offered against the opening of the trade, and particularly against the expectation of the great increase to be produced by such a measure in the exports from this country to India, and the imports thence. Lord Melville has signified his concurrence with the Court, in thinking that the public will be disappointed, at least at first, in this expectation, and though his Lordship has said, that "the Court do not appear to have succeeded in establishing the proposition, that any detriment will arise to the Public interest, either here or in India, or ultimately even to the interest of the Company themselves, from the introduction of private adventurers," we must beg leave to observe, first, that we cannot doubt, "the introduction of private adventurers," which his Lordship had in view, was less extensive than is now likely to be contended for by some portions of the public, and was connected, in his mind, with limitations and restrictions in the conduct of the trade, which those who claim the largest opening of it exclude; and, secondly, that several reasons which the Court have urged, to shew that much detriment would arise from a general opening of the trade, remain unanswered, either in his Lordship's letters, or in any of the public resolutions we have yet seen. Until of late, the general language held on the subject of the Indian trade was rather that the merchants of Great Britain should be allowed to apply their industry to such branches of it, and to such parts of the Indian Seas, as the commerce of the Company did not embrace, than that they should invade the portion of the trade which the Company carried on. But now little is said about the advantages to be derived from adventures to the unexplored parts of India, and the

the objects likely to be most warmly contended for are not new accessions of commerce to the nation, but a transfer of much of those branches of trade, already carried on by the Company in London, to individuals in the outports. The large concessions at first required from the Company by His Majesty's Government appear only to have encouraged the merchants of the outports to make still further demands; regardless, as it would seem, of the political consequences that might ensue from a compliance with them, and apparently unaware, too, that the corporate capacity of the East-India Company is perpetual, and cannot be annulled, even if the qualified monopoly they have enjoyed were to cease.

We are confident, my Lord, it was not the intention of His Majesty's Ministers, that the East-India Company should be broken down and despoiled of those faculties, necessary to enable it to perform the important part assigned to it by the Legislature in the government of the British empire in the East; a part which probably it will be allowed to have performed well, and with more safety and advantage to the mother country, than any other system, hitherto thought of, could have done. The benefits accruing to that government by the reciprocal aids of revenue and commerce, the powers of which are united in the constitution of the Company, in a way peculiar to it, have been often seen and fully acknowledged, and were it necessary, it would be easy to enlarge upon them. These powers have now become so incorporated, that it is impossible to separate them, without essentially endangering the whole of a system that has proved in practice eminently useful. If, therefore, the commercial part of that system were now to be destroyed, the political functions exercised by the Company would be so weakened, as necessarily to bring into view questions of the last importance to the safety of the British empire in India, and of the British constitution at home.

We hence assuredly reply, that the wisdom of Parliament, and the good sense of the nation in general, will resist those rash and violent innovations upon the system of the Company, which the merchants of different towns, proceeding upon theoretical ideas, and overlooking most material facts, now appear to intend, without any certainty, even of extending the commerce of this country, but to the unavoidable detriment of its political interests abroad and its financial interest at home.

It was in contemplation of dangers less immediate and alarming than the designs now avowed threaten, that the Court so earnestly proposed, that the renewal of the Charter should proceed, with certain modifications, upon the basis of the Act of 1793, which made the Company the medium of the enlargements of private trade; but having been forced to depart from this preliminary principle, which they still maintain consults the true policy of this country, and the sacrifice of which they may observe, by the way, inflicts great injury upon all the private interests and parties engaged in the Indian trade, as established by that Act, particularly on the commanders and officers of the Company's ships, whose professional merits are universally acknowledged, the Court are, however, perfectly satisfied, from the assurances already given by His Majesty's Ministers from the beginning, that any enlargements which may be given in the Indian trade shall be accompanied with such provisions, as will guard against the dangers to which such enlargements might otherwise expose the existing system.

Several of the precautions necessary in this view were suggested in the *Hints* submitted by the Deputation of the Court to Lord Melville, on the 4th March; and upon these, and the *Observations* made on them by him, we now feel ourselves called upon further to offer some elucidations to your Lordship.

(*Articles 1, 2, 3.*) On the very important head of the China trade, permit us, my Lord, to remark, that although the *security of the revenue* is doubtless a very fit consideration for His Majesty's Government and for Parliament, yet the Company do not understand that the continuance of their exclusive privilege in this trade is rested on considerations of revenue alone, nor that it ought to be affected by any varying circumstances in that branch of the public affairs. The Company have the actual possession of the monopoly of that trade, which was given them for national purposes, and by the perpetuity of their corporate capacity must be more capable of maintaining it against the competition of private merchants, than those merchants would be to drive them out of it. But such competition would be ruinous to the public interests; for the Company already supply the nation with as much as it wants of China commodities, which are almost entirely used for home consumption, and exports woollens and metals of this country, to the
amount

amount of a million sterling annually, at a loss to themselves during war. By competition, the cost of teas, and other China articles, would be enhanced, the prices of our staples lowered there, and if individuals could possess themselves of the trade, the exports in those articles which they could not sell to profit would be lost to the country. A struggle, therefore, between the Company and individuals, could only produce ruinous consequences to both. The jealousy of the Chinese government, which now allows only one port of that vast empire for all its foreign commerce, and subjects the European residents at Canton to a confinement to their factories for six months of the year, and to banishment to Macao for the other six months, would undoubtedly take alarm at the ingress of indefinite numbers of unconnected Englishmen from Europe, and if it did not at once exclude them, would soon be induced to do so, by the disorders which would not fail to follow, and which are on the present limited scale of intercourse, prevented or palliated only, by the extreme caution and established usages of the Company's supra-cargoes. Thus the trade would be entirely lost to the country, and with it not only the export of a million of its manufactures annually, but a revenue of four millions, with the fleet of excellent ships now employed in that commerce, to the great inconvenience of the people at large, the ruin of particular classes, and the complicated injury of the state. The resort of American ships to Canton, without either hindrance from the Chinese or consequent disorder, affords no parallel to the case of an open trade from Great Britain and Ireland to China. Those Americans, few in number, carrying thither only silver, and carrying away silk cloths as well as tea, derived their reception and protection very much from the orderly English factory long established there, who have endured treatment from the Chinese government, to which no representative of His Majesty could submit. We are satisfied, therefore, my Lord, that such provisions will be introduced into the new Charter, as will effectually secure this great branch of trade to the Company and the nation, in the manner it has hitherto been enjoyed.

(Article 4.) We submit, that this observation ought to run thus: "This proposition ought to be acceded to; with the reservation, however, that the Governments in India ought to be restricted from" making any alteration in the

rates of the duties sanctioned by the authorities in England, or that they may hereafter sanction.

(Article 5.) To the concession on this head, we wish it to be added, that the Company shall have a fair price for all the saltpetre they shall supply to the Government.

(Article 6.) As the confinement of the private trade to and from India to the port of London is an article of essential importance on the whole of the present question, involving the safety of the Company, it may be expedient, that we state somewhat fully the various and powerful considerations on which the propriety and necessity of the measure rest. These considerations relate to the usages resulting, unavoidably, from the nature of the Company, which for political, as well as commercial purposes, it is so material to preserve; from the law of the land, the existing rights of individuals; the conveniency of the re-exportation of Indian commodities; and the security of the public revenue.

From the first institution of the East-India Company, they have used the port of London only; and the practice of selling their imports by public auction only, is also almost coeval with the Company.

The utility which dictated the first of these practices is obvious; a little consideration will shew the other to be yet more necessary. If private bargaining and trafficking with individuals, and from day to day, were allowed in the sales of the great imports of the Company, how many doors would be open for collusion, imposition, and abuse! It would be impossible the business could go on in that way, and the very liability of it to suspicion, would be enough to destroy the confidence of the proprietors and the public. Besides, the importations of the Company coming in fleets at stated seasons, it suited the convenience of all parties, that the sales should also be only at stated seasons, and public, which would afford the opportunity to buyers to resort from all parts, foreign as well as domestic, to those sales.

In the ninth and tenth years of King William the Third, the Legislature interposed to prohibit the sale of East-India goods, otherwise than by public auction; and in the next year of that prince it was also enacted, that East-India goods should be sold only in London. Thus the law at present stands.

The immediate object of the legislature, in these enactments, appears to have been the security of the revenue, then appointed to be derived from the customs laid on Indian goods imported: And nothing so effectual could be devised for that security. To bring the imports to one place; to have them lodged under the keys of the Government officers; to have them sold publicly, in the presence of those officers; and, finally, to have the duties, thus carefully ascertained, collected through the medium of the Company, with hardly any charge: the whole of this practice is the most complete provision that can be imagined, against defect, fraud or expense, in realizing this branch of revenue to the public.

But if this was material in the time of King William, when perhaps the revenue from East-India goods, including China, did not exceed £100,000, how essential must it be at present to the State, when that revenue exceeds four millions!

With all the care now taken, and when London is the only lawful place of importation, it is well known that teas, shawls, silks (prohibited, for the encouragement of our own manufactures), and other articles, are at the present time, to some extent, smuggled on shore from the East-India ships, notwithstanding the penalties of the law; and when, in addition to the legal penalties, the offending parties, if the Company's servants, are liable to further fines and mulcts on all illicit trade. But the hope of evading the heavy duties will ever continue to operate on persons, who look no further than their own immediate profit or convenience.

Every deviation from the established usage would so far destroy its simplicity and efficiency, and open the way to abuses. Suppose the importations to be allowed to go only to one outport, a new establishment, new expence, new trouble, would be created, and a channel opened for smuggling, fraud, and abuse. What would it be, then, if several outports were opened for the landing and sale of Indian and Chinese goods?

But this still supposes the Company, either for itself or for private traders, to be the only medium of importation. If, however, all individuals were to be allowed to import, and into all the ports of the United Kingdom, especially if it were allowed to employ ships of small burthen, which drawing little water, could run into obscure ports in the re-
mote

mote parts of England, Scotland, and Ireland, where would be the practicability of any safe control? Legions of Custom-House and Excise officers must be appointed, at a very great expense; and after all, where the duties are so high as they are, especially on the articles of tea, silk, and fine muslins, smuggling without end must be expected. If private ships were allowed to go to the Eastern Islands, they could find means to procure tea; and if also allowed to return to the outports, smuggling in that article would be by far the most gaining trade.

At present the duties upon East-India goods are collected and paid in London, at a very small expense to Government, and to the full extent to which they ought to be paid. This follows, because the value of the goods is ascertained by competition at the Company's sales. Were every port to have its India House, where would be this general competition? The same goods which pay the duty *ad valorem*, would be liable to one amount of duty at Fowey, to another at Dublin, to a third at Port Glasgow; all differing from each other, and from that paid at London. There would be no remedy for this inconvenience, whatever may be said by interested persons to the contrary. The endless variety of Indian commodities, renders it impossible that they should generally pay what are called *rated* duties, of so much per piece, or so much per yard. Pepper may pay a fixed sum by the pound, and sugar by the hundred weight; but the staple article of piece goods, and many others, must ever be rated by the value, quantity being no just criterion.

It therefore follows, from what has been above observed, that were the trade to be carried to the outports of the United Kingdom, the revenue drawn from Indian goods must be greatly diminished, and the charges of collecting it greatly increased.

Let it be next inquired, what would be the effect of such a change on different interests; the persons already possessed of valuable property employed for the Indian trade, the exporters of India commodities from this country, and on the East-India Company itself?

The City of London, in their corporate capacity, as conservators of the Thames, and all classes of persons in the metropolis, who are engaged in the building and outfit of ships, in the carriage, warehousing, sorting, buying, and selling of the Company's goods, have also a direct interest in the present discussion.

The

The East-India Dock Company have likewise a very great and obvious interest in keeping the Indian trade in the Port of London.

With respect to the re-export trade in Indian commodities, at least three fourths of the imports from India have hitherto been for the supply of the continental markets. The foreign buyers repose confidence in the regularity and publicity with which the Company's sales are conducted. When the trade was solely in the hands of the Company, the particulars of their cargoes were published immediately on the arrival of the ships, and distributed all over the continent. Notices of the quantities to be sold, and periods of sale, were also published for the like distribution. The sales of each description of goods were made at stated periods, twice in the year. The buyers, of course, knew the state of the market at the time of coming to the sale, and the purchases were made under an assurance, that no more goods, of such description, would be disposed of before the next sale. Hence they had a certainty of the market for six months. This established a solid confidence, which very much benefited the sales. Such confidence has, no doubt, been much weakened since 1793, when private persons were partially admitted into the trade. The chief object of the private trader being, as it always must be, to obtain prompt sales to meet the payment of bills, East-India goods are frequently resold, while they remain in the Company's warehouse, merely by a transfer of vouchers. The goods, when so sold, will produce from five to ten per cent. more than when in the hands of individuals. This is particularly the case as to drugs, which are subject to great adulteration.

The confidence that has been entertained of the Company's regularity and fair dealing has been such, that the foreign buyers have given their orders to their correspondents in London, on the faith merely of the descriptive marks; and goods, on their arrival on the Continent, frequently pass through various hands, before they are finally unpacked.

By the mode proposed, it is to be feared the foreign buyer will cease to be at any certainty as to his purchases and the quality of the commodities, and this may, eventually, lead foreigners to look directly to India, for the supply that has hitherto been furnished through the medium of this country.

To speak now of the effects of the proposed change upon the interests of the Company. And first, with respect to the East-India trade, properly so called, as contradistinguished from

from the imports from China. If the mode of private sale of Indian goods in every town in the kingdom were introduced, would not the stated and the public sales, to which the Company are restricted, be continually anticipated, and consequently the supply of the foreign markets be so also; though on the whole, these markets could not take off more? Could these sales, then, secure a general assemblage of buyers? Could it be reckoned upon, that the Company's goods would go off, as they usually have hitherto done, at the sales? Could the prices be expected to indemnify the Company, when the market should be lowered by the necessity or impatience of private importers? Could the realization, in money, of the Company's Indian imports be depended on: that realization, so necessary to the finances of the Company? and if not, how could the currency of their affairs be preserved? how could they pay for exports to India? how could they maintain the fleet of ships they now employ in their Indian commerce; a fleet so necessary for the transportation of troops and stores and warlike services in India? And if the Company's Indian commerce failed, and so much of the Indian imports were transferred to outports, what must become of many of the Company's wharfs, warehouses, and other articles of dead stock, formed at a vast expense, in consequence of this Indian trade? And where would be the benefit to the nation by the change? Would it be any thing else but transferring to Bristol, Liverpool, Glasgow, and Dublin, that which London now has? Would it be really any accession of benefit to the empire at large? And what, to look towards India, would be the effect of an unlimited trade from the outports of Great Britain and Ireland to all those regions? Would it be possible to enforce the regulations which His Majesty's Ministers think absolutely necessary, for preventing an uncontrolled intercourse with the East, and for averting the evils that would ensue from it?

These questions, to add no more, ought to be very clearly and satisfactorily answered, before so great a change is attempted, before an order of things that has subsisted so long, and done so well, is subverted and destroyed. If great and sudden innovations ought, at all times, to be regarded with caution and distrust, surely ought those in particular, which are proposed by men for their own immediate advantage.

But what are the arguments with which the merchants of the outports may be supposed to enforce their claim?

Natural

Natural right;—the freedom of trade; allowing every man to carry on his own business in his own way; the odium of the principle of monopoly; the disadvantage with which they would carry on the trade, if they were obliged to bring back their ships to London, instead of their own ports; the disadvantage to the country consumers.

To all this it may be replied, that supposing the whole true, are these arguments of weight and value sufficient to overturn the present long established system of the Company, and to endanger so large a portion of the public revenue? As to the arguments from natural right, &c., such arguments must always be limited by considerations of practical good. The only practical arguments that occur in favor of the outports, are the advantage to the merchants themselves and to the country consumers. Now what is the amount of this advantage? Let it not be forgotten, that at present it is problematical, at least, whether any great Indian trade can be established by the private merchants; that, at any rate, the chief part of Indian goods imported into England is intended for re-exportation; that London is the fittest port and mart for the foreign trade, especially since the Warehousing Act; that there is really little consumption of Indian goods in the interior of this country; and that if no great accession of trade should be brought to the country by the private merchants, then they will have sacrificed the existing system, without obtaining even the object for which the sacrifice was made.

It may perhaps be said, that the Hudson's Bay Company has public sales, and that yet there are sales on account of individuals of the same articles the Company import. But this will form no parallel case as to the *Companies*, nor is there any great question of *revenue* concerned. The only article imported by the Hudson's Bay Company is *furs*. The sales of this article, on private account, are also by auction, and it is believed confined to London. The whole is comparatively a small affair, and can be of no weight in the present question.

Upon the whole, therefore, it seems most certain, that on such slender grounds, with respect to advantage (and advantage as before mentioned only to be taken from London for the outports), with so little certainty of establishing

lishing any great trade to or from India, with such imminent hazard to the East-India Company and to the revenue, it would be contrary to the prudent policy which this nation has generally observed, and most unwise in itself, to venture upon so great an innovation, some of the effects of which were pointed out to the President of the Board of Commissioners three years ago (printed papers, page 30), effects, which, by his silence, he seems to have admitted: and, in a word, it may be apprehended, that they would amount to the destruction of the Company's Indian trade, their Indian commercial establishments, their Indian shipping, and finally leave the China monopoly so insulated and unsupported, as to bring that also, at length, to its fall, and with it, the whole fabric of the Company, and the great revenue now so easily realized through its medium; nor can it be at all doubted that, in such case, the China trade would also be lost to the nation.

It is not irrelevant to this subject to advert to a passage in the history of the Dutch East-India Company, under the year 1602. "The plurality of East-India partner-ships or societies, at this time, formed in Holland, creating much disorder and clashing in that commerce, the States-General summoned before them the Directors of all those Companies, and obliged them to unite, for the future, into one, to which United Company the states granted the sole commerce to East-India for twenty-one years from the 20th March 1602." They had, in consequence, several *Chambers* of East-India Commerce in Holland, as Amsterdam, Middleburgh, &c. but they were all under one united Direction.*

(*Article 7.*) In the time of King William, the Company were allowed five per cent. on the private-trade.

(*Article 8.*) Many remarks made upon the sixth article will also apply to this, which might have properly formed a part of it. We need, therefore, only observe here, that the permitting of ships to sail from the outports, will go very materially to injure the interests of those who were let into the Indian trade by the act of 1793;—to increase

See Anderson's Commerce, and Macpherson's Annals of Commerce, under 1602.

increase the danger of colonization abroad ;—and of injury to the revenue, by smuggling, at home, as well as another danger to be noticed in the next article.

(*Article 10.*) It is not only to all our Indian possessions that the exportation of military stores ought always to be prohibited, but also to the numerous islands in the Eastern Seas, inhabited by a vindictive race of people, who may be ready, not only to buy warlike stores, but to engage Europeans in their quarrels, and the sailing of ships from the outports will certainly increase the danger of these evils.

(*Article 11.*) The existing law, as to piece goods, enables the Company to confine the importation of that article to themselves. They have never availed themselves of this privilege ; but yet it may be proper to continue it, because “ the regular and constant employment of the manufacturers, under the existing system “ of local management,” is a matter of consequence, not likely to be otherwise so well guarded, and that great importations of piece goods would operate against the home manufactures, whilst a smaller select importation would be useful.

(*Article 12.*) There is a new reason for the same restriction in favor of the Company in the article of raw-silk, because such a general competition is now to be opened against them, and because they have, at great expense in a long course of years, by means of their own establishments, brought the raw-silk of Bengal, which they export, to a high state of perfection ;—and if that article is left to the competition of individuals, who will often have to resort to the agency of indolent natives, the quality of the article may be expected materially to fall, and the silk manufacturers of this country to be much worse supplied than they are at present.

It is proper to add, on this subject, that the restriction in favour of the Company, in the article of piece goods, is by no means of the value it was at first, the demand for that Indian staple being now greatly diminished in this country.

(*Article 14.*)—Lord Melville has observed, on the reasons which he apprehends had influenced the Court, in proposing that ships of less than four hundred tons should not be allowed to sail to India, that “ though entitled to

“ due consideration, they do not appear to be sufficiently strong to justify the proposed restriction, or the making a distinction, in that respect, between ships trading to the East-Indies and to other countries :” it is therefore deemed necessary to discuss the proposition more at length.

In examining the subject of the sixth proposition, the facility which small ships would afford to smuggling, were the outports opened for the disposal of the homeward cargoes, has already been considered. In further support of the fourteenth proposition, respecting the least size of ships that should be permitted to go to India on account of individuals, the practice of the India Company, in the early part of their intercourse with the East, might be adduced, for they soon dropped the smaller class of ships for one of five hundred tons ; but as this country, in its improved state of navigation and commerce, has few ships of that burthen, except those employed by the East-India Company, the limiting of ships to be now employed in the private-trade to India to four hundred tons, was supposed to afford facility to the most respectable houses, to benefit by the proposed enlargement of the trade.

Every one will admit, that there is more of respectability in the larger class of ships ; and this circumstance should not altogether be lost sight of with the inhabitants of India. The impression of the superiority of our maritime strength to that of other nations, and particularly of the Americans, who speak the same language, and who navigate very small vessels to and from the ports of the East, should be kept alive ; and, as a reason of State, should have its due weight in the consideration of this subject.

It is not only the respectability of the *ship* that should be attended to, but there is also a degree of respectability and responsibility attached to the character of the commander and of the officers (of whom there is a greater establishment in the larger ships). Their information is pre-eminent, particularly in those essential articles of nautical science, the variation and the lunar observations, in the navigation of the Indian Seas, and to and from thence. By such men, a better discipline is established in those larger ships which suit them : the ships are also better

better armed, and less liable to capture, than vessels of the smaller class. The length of voyage requires, not only superior equipment and a stouter vessel, but in order to guard against contingencies of every kind, subordinate officers and their assistants are indispensable; because, in the event of the death of the principal officers, the knowledge and skill requisite to supply their places, especially in cases of emergency, could be derived from no other quarter. Small vessels cannot have these necessary advantages; an observation which applies, more particularly, to such petty officers as carpenters and caulkers, in respect to matters that concern the hull of the ship, and to medical men in respect to the crew.

It has been found by experience, that larger ships can be navigated at a less rate per ton than small ones: hence one of four hundred tons will require less rate of freight than two of two hundred tons; a point of economy in the conveyance of goods, which is not to be disregarded, even in a national view. As India is concerned, the smaller vessels will multiply a description of persons in the ports and throughout the country, whose conduct may have serious effects on the peace and quiet of the Asiatic Governments, from the causes before mentioned. The minor ports throughout the country will admit of an intercourse and connexion between Europeans and the natives, which the vigilance and power of our Governments cannot discover nor control.

The ships employed in private trade should be constrained to navigate with a certain number of Europeans outward, so as to prevent, as much as possible, the introduction of native seamen to this country: and hence, for the sake of humanity, a surgeon becomes a necessary person, the employment of whom may well comport with the size of ships of four hundred tons or upwards, but not with those of two hundred and fifty or less. If the health and lives of seamen be thought of consequence to the State, the larger class of ships should certainly be preferred. If the present superior class of West-India shipping are of four to five hundred tons, where the passage is not more than six weeks, it appears at least as reasonable, that those employed in an East-Indian voyage, which may last many months, should be equally competent and formidable as the running ships, and not stand on

on a scale beneath those of the first class upon Lloyd's books, so that the premium of insurance upon the goods shipped may be kept at the lowest possible rate.

Whenever such enlargements, as may induce the subjects of this country to embark very large property in the Indian trade, shall be opened to them, it must be highly expedient that, for such time at least as may be sufficient for the return of one voyage, the utmost possible security, which the Legislature can devise, should be provided, in order to check such hazardous adventures as might otherwise be carried on in any description of vessel, or under the conduct of characters not sufficiently responsible, and at the risk or cost of the under-writer.

If an honorable commercial intercourse with India be the object, such wholesome regulations will promote it; but if speculations of mere chance outward, and smuggling homeward, should be in the contemplation of any adventurers, protection to the fair trader, to the East-India Company, and to the revenue, can only be secured by some efficient law, respecting the size of the ships, and their consequent equipment in stores and force, under the conduct of able and responsible commanders and crews.

(Article 16.) The regulations proposed with respect to Lascars, are only intended for a time of war. No Lascars should be brought to this country in a time of peace.

(Article 18.) The existing regulations, as to ingress and settlement of unlicensed Europeans into the Company's establishments and territories, to be continued. No British subjects to be allowed to settle in any country within the Company's limits, and not under the government of the Company.

(Article 19.) The King's forces, maintainable by the Company in India, not to exceed fifteen thousand men in all; and this number to be reduced, as may be found practicable.

(Article 20.) If the proposition made by the Company, to be henceforth charged so much per regiment of a given force, or so much per man, be not adopted, we shall be glad to receive any specific proposition, for putting upon a clear and equitable footing the adjustment of accounts between the Pay Office and the Company.

By

By any such arrangement, we cannot doubt, that, at least, the intricacies of the present mode of settlement, utterly unsatisfactory as it is to the Company, will be got rid of, even if the expence should not be diminished: but will it, for example, admit of any question, whether, when the Company have been charged, as they really have been, with the expense of an entire recruiting company at home, as constantly raising recruits, and whilst, in many instances, the recruits so raised have been sent, not to India, but to other quarters, the recruiting company having also been at all times available for internal service, it can come within the equity of the 127th clause of the Act of 1793, or ever could have been intended to charge the expense of such company to the Indian territories? Or is it just, that the expense of the colonel of a regiment, employed either at home or on the Continent, or perhaps on a furlough staff appointment, should be partly charged to the East-India Company, and his pay be drawn from them? As all parties, therefore, agree in the propriety of an alteration, the sooner it is made the better.

(Article 21.) The Court of Directors have already objected, and must ever object, to the arbitrary mode adopted by a Committee of the House of Commons in 1805, for the settlement of the demands of the Company on Government. We think it a clear and equitable principle, that the expense of captures made, and not retained by the Company, but transferred to His Majesty, or by His Majesty restored to the enemy, should be charged to the Public.

The ordinary pay of the Company's troops employed on such services, and especially in places out of the sphere of India, as in Egypt, should also be placed to account of the Public.

On these grounds we beg leave to propose, that the balance of demands now made by the Pay Office on the Company, be set off, by the sums which they are yet unpaid for the capture of Ceylon and the Moluccas, and for the expedition to Egypt. Even then, the settlement will be greatly to the advantage of the Public, as the Company have made good to the Pay Office a sum exceeding two millions, in addition to which they have, since the year 1797, been charged for King's troops beyond

beyond the number for which the law obliged them to pay, at the average annual rate of about three thousand firelocks, besides the officers and serjeants requisite for that number of men.

(Article 22.) As a supplement to this article, the Court cannot help again submitting to consideration, the earnest desire and hope of the Proprietors to be exonerated, out of the general funds of the Company, from the payment of the Property-tax. The dividends of other public Companies are thus exempted; and it is but a small consideration, in the immense concerns of the Company, from which the Proprietors have, on the whole, yet derived only the ordinary interest of money, in return for all the hazards their property has run.

(Article 23.) The debt of which the Court of Directors meant to speak in the twenty-third proposition, was the whole of the Indian debt, part of which, to the amount of about seven millions, has been transferred to England. The observation of Lord Melville will coincide with this proposition, and the Court of Directors can have no material objection to his Lordship's proviso, respecting the reduction of the bond debt at home to three millions; but experience has shewn the inconvenience of confining within narrow limits, by parliamentary regulation, the amount of this debt.

(Article 25.) Considering how probable it is, that private adventurers will desire to obtain a supply of the article of tea, in order to be smuggled into this country and to foreign parts, and considering also the importance of not endangering the commercial intercourse now permitted by the Chinese to the British nation, through its long established organ, the East-India Company, it is obvious, that effectual provision ought to be made, in some mode or other, for preventing both these evils; and we shall be glad to hear any propositions which were in Lord Melville's contemplation, or may be in your Lordship's, as more likely to suit that end than the suggestion we have offered. In the mean-time, we feel it incumbent upon us to request your Lordship's attention to some remarks on the question of admitting private ships to the Spice Islands. The demand of all Europe for the spices of the Moluccas is so limited, that one or two of the Company's ships may import a sufficient quantity for the supply

supply of it: the division, therefore, of this supply among the Company and the Merchants in general of this country, will leave so little to the individuals of the latter class, as to form no object worthy of long and distant enterprise; not to mention, that spices are now rising up in other parts of the East, which renders these islands less important than they have been. The maintenance of the Molucca Islands, which produce no valuable commodity but spices, occasions to the Company a heavy expense, and can only be compensated by a monopoly of their trade; and if private merchants are to participate in that trade, they ought also to bear a proportionable share of the charge of establishment in those islands. But the spice trade is not the most interesting consideration belonging to this question. If in any of the islands in the Eastern Seas, not belonging to the Company, British subjects were to settle, (a thing which the Company, even if armed with legal powers, would find it difficult to prevent, after those seas should be open to all the ships of this country,) it would seem impossible to hinder them from obtaining, by one means or other, a supply of the teas of China, for the purpose of being smuggled into Europe. That object alone might be tempting enough to induce a settlement, where no other circumstance was sufficiently inviting. And if from this motive, or a concurrence of others which might be supposed, a number of Englishmen were once to unite themselves in that quarter, whither new individuals might continually resort, and whence, again, they might repair to all the ports of the Indian continent, it would seem scarcely practicable to preserve the efficiency of regulations formed, either here or by the Indian Governments, for the exclusion of unlicensed persons from their territories. Such would be the danger, especially of any British settlement in the Eastern Archipelago, not subjected to the government of the Company; a danger very seriously to be deprecated: and even in those held by them, as the Moluccas, if they were open to all British ships, it may well deserve consideration, whether there might not be some liability to danger of the same kind. On all these grounds it really seems advisable, that British ships from Europe should not have access to the Spice Islands.

Having concluded our remarks upon the propositions and observations hitherto brought under discussion, we next beg leave to suggest some other regulations, growing out of the general subject now under consideration, and of our past correspondence. These, we trust, will be found so obviously proper and necessary, as to require no enforcing argument.

26th Proposition.—That no ship shall go from any British colony to the East-Indies or China, without the special license of the Company.

27th Proposition.—Private ships going from the United Kingdom to India to sail direct from that kingdom thither, and from India to that kingdom, without pursuing any circuitous route.

28th Proposition.—Ships going from this kingdom to India, not to engage in the coasting trade of India, but to be permitted to go from one port of delivery of the original cargo, to another for the full discharge of it.

We have the honor to be, My Lord,

Your Lordship's most obedient humble servants,

(Signed)

HUGH INGLIS,
ROBERT THORNTON,
JACOB BOSANQUET,
W. F. ELPHINSTONE,
CHARLES GRANT,
EDWARD PARRY,
WILLIAM ASTELL,
GEORGE SMITH.

The Right Honorable the Earl of Buckinghamshire,
&c. &c. &c.

No. XLV.

At a Secret Committee of Correspondence,

The 17th April, 1812.

The Committee took into consideration the state of the negotiation for the renewal of the Company's exclusive privileges, and deliberated maturely upon several points connected therewith.

No. XLVI.

At a Secret Committee of Correspondence,

The 20th April, 1812.

The Chairman laid before the Committee minutes of a conversation held yesterday evening, between the President of the Board of Commissioners and himself.

It was unanimously agreed, that the same be submitted to the Court of Directors to-day, together with a minute thereon, now read and unanimously approved of, being as follows, viz.

[Entered in the succeeding Minutes of Court, No. XLVII.]

No. XLVII.

At a Secret Court of Directors, held on

Monday, the 20th April 1812.

The Chairman from the Committee of Correspondence laying before the Court minutes of a conversation between the President of the Board of Commissioners and himself, held yesterday evening ;

The Court, after deliberating thereupon, agreed unanimously to the following minute, viz.

The Chairman having, in a Secret Court of Directors, communicated the minute of a conversation which he held last night with the President of the Board of Commissioners, the Court learn from thence, with very great concern, that it seems to be the present disposition of His Majesty's Ministers, to extend to the merchants of this country the privilege of importing goods from India into all outports of the United Kingdom, to which the Warehousing Act extends, which ports are in number. The Court have, from the beginning of the negotiation, declared their firm conviction, that if the import trade from India were not confined to the port of London, the system of the Company's public sales, their trade to and from China, the dividend depending chiefly on that trade, and the political functions which, aided by those privileges, they exercise, for the benefit of the nation, in the government of the Indian empire, would be destroyed ; as well as the revenue of this country, by the extensive

any intimation that they differed with the Court upon this point; having stated their opinion, with the reasons for it, to their Constituents and the Public; having seen no argument advanced in opposition to it; and remaining still persuaded of its truth; they feel it impossible, as men of integrity, invested with public trust and responsibility, to recommend to their Constituents to abandon the proposition for restricting the import trade to London, and would most earnestly request His Majesty's Ministers to consider the communication made to the Chairman by the Earl of Buckinghamshire, and to give the Chairs, or a Deputation of the Court, an opportunity of waiting on them, before any final resolution, adverse to the Company, is adopted on this very important head.

No. XLVIII.

MINUTES of a Conversation between the Rt. Hon. the Earl of Buckinghamshire and Sir Hugh Inglis, held on Sunday Evening, the 19th April 1812, concerning the Trade, and noticed in the preceding Minute.

Lord Buckinghamshire stated, that it had been determined to preserve the monopoly of the tea trade to the Company, but to permit the private traders to fill up and assort their cargoes with opium and other articles, the produce of China, which they would procure in India.

His Lordship then stated, that it was the determination of His Majesty's Ministers to recommend to Parliament to permit private ships to clear out from any port of the United Kingdom, but that they should only be permitted to import into those places where the warehousing system existed. Sir Hugh Inglis stated it as his opinion, that the Court of Directors, in the first instance, and the Court of Proprietors, when laid before them, would resist, by every means in their power, a measure so fatal to the vital interests of the Company and to the public revenue,

as would be the measure of allowing the ships of individuals to import into any place but the port of London; and that, situated as he was, he should consider it his duty to resist, and recommend to the Court of Directors, and ultimately the Proprietors, to resist the proposition.

No. XLIX.

LETTER from Thomas Brown, Esq. to the Chairman and Deputy Chairman, enclosing Resolutions of a Meeting of the Buyers of Piece Goods.

Honorable Sirs,

London, 21st April 1812.

I have the honor to hand you, by the direction of the Buyers of Piece Goods, a copy of the Resolutions they have agreed to this day, and have to request the favor of your support and influence with His Majesty's Ministers, to preserve to the port of London, alone, the import of India piece goods.

I have the honor to be, with the greatest respect,

Honorable Sirs,

Your most obedient and most faithful servant,
(Signed) THOS. BROWN.

The Honorable the Chairman and
Deputy Chairman of the United
East-India Company.

At a Meeting of the Buyers and Others, interested in the Sale of East-India Piece Goods, held at the City of London Tavern, the 21st of April 1812.

Thomas Brown, Esq. in the Chair.

Resolved Unanimously, That it is our duty to watch the progress of the East-India Company's Charter, to prevent arrangements being made prejudicial to our interests, injurious to the public revenue, and detrimental to the British manufacturers themselves.

That we see with pleasure, that the Directors of the East-India Company are impressed with the necessity of continuing

continuing the import of piece goods solely to the port of London, as their sale at an outport would bring a serious loss on the revenue, and be very hurtful to the cotton manufacturers of Great Britain.

That as piece goods are of an uncertain value, and depend very much on competition, it would not be possible to obtain the same prices for them at an outport, as they fetch in London; and, consequently, that we should be undersold at the outports, unable to carry on our business with the honor, respectability, and advantage we have hitherto done, and probably obliged to abandon the pursuit many of us have been engaged in for a great number of years, and driven to seek fresh undertakings, at a time when little benefit can be expected from them. And it is the opinion of this meeting, that it is the decided interest of the importers of piece goods themselves, that they should be continued to be brought to sale in the port of London (as the emporium of commerce) in the way they now are, where they will have the benefit of the Company's own assortment.

That the duty on mus-

lins and nankeens is -	£10	0	0	p.c. on importation,
	and	27	6	8 p. c. on home consump-
				tion,

Together £37 6 8 per cent.

On calicoes, dimities,

and shawls - - -	£3	6	8	p. c. on importation,
	and	68	6	8 p. c. on home consump-
				tion,

Together £71 13 4 per cent.

That as these duties are paid on the prices obtained at the East-India Company's Sales, if a piece of muslin sell for fifty in lieu of one hundred shillings, the revenue for home consumption is injured £37. 6s. 8d. per cent, on the difference, or 18s. 10d. per piece. If a piece of longcloth sell for 25s. in lieu of 36s., the revenue is injured £71. 13s. 4d. per cent. on the difference, or 7s. 10d. per piece.

That in all silk and prohibited goods, and even in white goods, if not brought to the port of London, it is much to be feared, no restraints could prevent smuggling; which

which would occasion a loss of the whole duty to government, be seriously injurious to the fair trader, and especially to the manufacturers of silk goods in Spitalfields and elsewhere.

That the introduction of Indian piece goods to the consumption of this kingdom at low prices, in consequence of a total evasion of duty, or a payment of duty on reduced prices, would be a serious injury to the British cotton manufacturers.

That the same ill effects would occur to the manufacturers of Lancashire and Scotland, if sales of Indian piece goods were frequently to be made at Liverpool and Glasgow, or in any of the ports in the neighbourhood of the manufactories.

That it is of the greatest advantage to the great body of British cotton manufacturers to confine the import of India piece goods to one port, as it gives them the opportunity of viewing them, and regulating their manufactories, according to the quantity and sorts intended for sale; whereas, if individuals were allowed to import piece goods, and sell them at an outport, the British manufacturer would never know what quantity might be brought into the market, or how to regulate his manufactory.

That the principal factories in India for muslins, calicoes, and silk goods, being in the hands of our East-India Company, and the greatest attention being paid to maintain the qualities and fabrics of each sort, it is reasonable to conclude, that the same influx of foreigners, who purchase very large quantities of the national manufactures, will attend the sales at the India House (whenever the politics of Europe will allow them to come) as used to resort here for a series of years, provided the quantity exposed to sale by the East-India Company is of sufficient importance to draw their attention.

That the plan now pursued, of having periodical half yearly sales of piece goods, and publishing a declaration, every three months previous to the sale, prevents every merchant and manufacturer from being suddenly surprised by an excessive quantity being brought on, and enables the foreign buyer to make his arrangements to attend the sale, or to attend his orders.

That a Committee be now appointed to carry into effect the

the above resolutions, and add thereto any others they may conceive in; and that the following gentlemen be chosen of this Committee, with power to add to their numbers.

Thomas Brown, Esq. Chairman,
Messrs. George Ranking,
Thomas Gould,
James Cazenove,
Frederick Molling,
L. M. Fies,
S. M. Farthworth,
Thomas Wilson,
Robert Brown.

That the foregoing resolutions be signed by the Chairman, and that an interview be asked of the Right Honorable the Chancellor of the Exchequer, to lay the resolutions before him.

That a copy of the foregoing resolutions be handed to the Chairman and Deputy Chairman of the East-India Company, with a request that they will continue their strenuous efforts, in securing the importation of India piece goods to the Port of London alone.

(Signed) THOMAS BROWN,
Chairman.

No. L.

At a Secret Committee of Correspondence,

The 24th April, 1812.

The Committee deliberated on the several points at issue in the present Negotiation with His Majesty's Ministers.

No. LI.

RESOLUTIONS of a Meeting of the Merchants, Manufacturers, Traders, and Others, interested in the Export Trade to India and China, from the Port of London, held the 25th April 1812; and the Petition to both Houses of Parliament, therein noticed.

At a Meeting of Merchants, Manufacturers, Traders, and Others, interested in the Export Trade to India and China, from the Port of London, held at the City of London Tavern, the 25th day of April 1859;

JOHN ATKINS, Esq. Alderman, in the Chair,
It was moved by David Gordon, Esq. and seconded by
Steward Majoribanks, Esq. and

Unanimously Resolved,

That this meeting, consisting of merchants, manufacturers and traders of the port of London, who have been long established in the Export trade from thence to India and China, feel themselves called upon, in defence of their respective properties, to state the true situation of such trade to the country at large, in order to counteract any misrepresentations which may have the effect of misleading the public mind upon a subject of such magnitude to the community at large, and in which their own vital interests are most deeply concerned.

That the anxiety expressed by the various manufacturers in the provincial towns of the United Kingdom, in regard to the quantity of exports to India and China, is grounded upon erroneous data, as will appear by reference to the actual export of such manufactures.

That it appears to this Meeting, from indisputable authority, that the quantity of tonnage engaged by the East India Company for the private traders of the United Kingdom (exclusively of that allowed to be exported in the privilege of their own captains and officers) amounted, during the last six years, to sixty-three thousand tons; and that, during that period, only sixteen thousand tons of every species of manufacture (including beer and four thousand tons of wine) have been actually engaged and shipped to India.

That the fact contained in the foregoing resolution exhibits a striking and incontrovertible proof, that the Company and the Public at large have been disappointed in those hopes and expectations which led to the granting the extra tonnage, and which was done, upon the renewal of the present Charter, by the desire and at the instance of manufacturers, and other persons, who at that time expressed similar feelings with respect to an extensive export, to those exhibited at the various meet-
ings

ings which have been so recently held throughout the country.

That the articles exported to India and China are various, but not extensive in any particular manufacture, and therefore require to be collected from every part of the kingdom, to one concentrated point for exportation, with any rational prospect of advantage either to the manufacturer or the exporter.

That the experience of the last six years, impresses this Meeting with a decided conviction that the market of India is not capable of extending the consumption of manufactures to the extent which the public mind has been led to expect; and therefore if the export trade to India and China, as now confined to the Port of London, be made general to the out-ports, it will be of no benefit to them, but will prove ruinous to those extensive establishments formed by the persons composing this Meeting, and to the large capitals they have invested therein.

That should the *export trade to India and China* be removed from the *port of London*, the coasting trade of the United Kingdom, that best nursery for our seamen, and great bulwark of our national superiority and strength; the inland navigation, that new source of great national wealth, as affording incalculable facilities to the improvement of the general agriculture of the country: and lastly, the revenue itself: would, with these, suffer very great injury.

That a petition be presented to both Houses of Parliament, in the names of the merchants, manufacturers, traders and others, interested in the *export trade to India and China, from the Port of London*, praying that the *export trade to India and China* may be continued as heretofore to the *port of London*.

That this Meeting approves of the petition now read from the Chair.

That the same be now signed by the gentlemen present, and do remain at this House eight days for signature.

That the Committee chosen at the General Meeting, held yesterday at this house, for the purpose of preparing the petition, be requested to continue permanent during the discussions in Parliament, and to use their utmost exertions to promote the object of this Meeting: And that

that the Committee have the power of increasing their numbers as they shall see necessary.

That the Members for the City of London, the Counties of Essex, Kent, Middlesex, and Surrey, for the City of Westminster, and for the Borough of Southwark, be requested to support the prayer of the petition in Parliament, when any discussion on the subject shall take place.

That the thanks of this Meeting be presented to Sir William Curtis, Bart. Mr. Alderman Combe, and Sir Charles Price, Bart. three of the representatives in Parliament for this City, and to George Byng, Esq. one of the representatives in Parliament for the County of Middlesex, for their attendance this day, and for their kind attention to the important objects of this Meeting.

That the thanks of this Meeting be given to the Committee for convening the same, and for the great zeal and attention to the interests thereof.

That these resolutions, and the Petition of the merchants, manufacturers, traders, and others, of the port of London, (after such petition shall have been presented to Parliament) be published in the morning and evening papers.

That all communications upon the subject of the present Meeting be addressed to the Committee, under cover to Mr. Teasdale, Merchant-Tailors'-Hall, Solicitor to the Meeting.

That a subscription be now entered into by this Meeting, for the purpose of defraying the expences of the petitions to both Houses of Parliament, and of such other measures as may be deemed necessary for the protection of the rights and interests of the exporters from the port of London to India and China.

(Signed) JOHN ATKINS, *Chairman*.

John Atkins, Esq. Alderman, having left the Chair, the same was taken by Christopher Smith, Esq. Alderman, whereupon it was moved, seconded, and unanimously resolved,

That the thanks of this Meeting be given to Mr. Alderman Atkins, for his judicious and able conduct in the Chair.

(Signed) CHRISTOPHER SMITH.

PETITION to PARLIAMENT; noticed in the preceding Resolutions.

To the Right Honorable the Lords Spiritual and Temporal in Parliament assembled:

The humble Petition of the undersigned Merchants, Manufacturers, Traders, and others, interested in the Export Trade to India and China from the Port of London,

SHEWETH,

That your Petitioners are merchants, manufacturers, and traders, residing in the port of London, and have been long engaged in the export trade from thence to India and China,

(That such export trade to India and China has, from the first period of its existence, under the sanction of various Charters, successively confirmed and regulated by the Legislature, been exclusively carried on from the port of London, to the great advantage of the manufacturing towns of the United Kingdom, inasmuch as the various articles of manufacture are thereby drawn to the Port of London as an emporium, and brought to one concentrated point for exportation, and the coasting trade and inland navigation of the Kingdom, which have always been considered as a nursery for seamen and assistance to the public revenue, and an improvement of the agricultural interests of the kingdom, are thereby encouraged and materially benefited.

That under the sanction of the various Acts of Parliament passed relative to such trade, and particularly under the sanction of that of the thirty-third of His present Majesty, and in obedience and conformity to the regulations and restrictions therein contained, your Petitioners have enjoyed the advantage of such exports, and in the faith and confidence that no alteration would take place in such trade, hath constructed extensive manufactories, and kept up large stocks of various sorts of merchandize, peculiarly and exclusively adapted for the India and China markets, and have formed large establishments in the port of London, and have otherwise embarked large capitals, for the purpose of carrying on the export trade from thence to India and China.

That

That your Petitioners have seen in the printed votes of your Right Honorable House, that numerous applications have been made from the outports and other towns and places in the United Kingdom, that the trade to India and China may be allowed to be carried on from such outports, in the event of the trade being still further laid open at the expiration of the East-India Company's present Charter.

That the anxiety expressed by the various manufacturers in the provincial towns of the United Kingdom, in regard to the exports to India and China, is grounded upon erroneous data, as will appear by reference to the actual export of such manufactures, whereby it can be most clearly and satisfactorily shewn to your Right Honorable House, that not one more than one-fourth of the tonnage offered by the East-India Company to private traders has been applied for, and that the Company have, by their printed notices (circulated generally throughout the trading interests of the community) held out encouragement to private adventurers in the export of British manufactures to a still larger extent; and that, notwithstanding such additional stimulus and encouragement, on the part of the Company, to private individuals, experience has proved, that even the quantity now allowed to be exported has never been applied for, thereby proving most satisfactorily, that the India market is trifling in its demand, and already abundantly supplied, and, as will be most satisfactorily shewn to your Right Honorable House, very frequently, to the great loss, and oftentimes to the serious injury, of those who have engaged in such private export trade.

That should the export trade to India and China, which is now confined to the port of London, be extended to the outports, great and extensive injury would not only be occasioned to your Petitioners, but also very manifest injury and inconvenience would be sustained by the revenue and the country at large.

That not only have large establishments been formed, extensive warehouses and manufactories built or provided, and large stocks of merchandize laid in, exclusively adapted to the India and China markets, but docks and wharfs have been formed, and workmen engaged by your Petitioners, to such an extent; and at such an expense, as will,

will, in the event of the removal of the export trade to the outports, tend to the utter ruin of many individuals and their families, who are now, and have been long embarked in this trade, under the sanction of the legislature of the country.

Your Petitioners therefore humbly pray, that on any renewal of the East-India Company's Charter, the export trade to India and China may be continued, as heretofore, to the port of London.

No. LII.

At a Meeting of the Deputation,
the 28th April, 1812.

Read and considered a letter from the Right Honorable the President of the Board of Commissioners for the Affairs of India, dated the 27th instant.

No. LIII.

At a Secret Committee of Correspondence,
the 28th April 1812.

The Chairman laid before the Committee a minute of a conference held on Saturday last, which was read and approved; and the Chairman was desired to lay the same before the Court.

MEM. *This Minute is contained in the succeeding Minutes of the Court, No. LIV.*

No. LIV.

At a Secret Court of Directors,
Held on Tuesday, the 28th April 1812.

The Chairman from the Committee of Correspondence reports to the Court, that in consequence of the request contained in the minute of the 20th April, which was communicated to Lord Buckinghamshire, the Chancellor of the Exchequer and his Lordship favoured the Deputation with an interview
on

on Saturday, the 25th instant, at which Mr. Wallace was also present.

At that meeting various points belonging to the present negotiation were touched upon; but the discussion mainly turned on the important question of permitting the ships of private merchants generally to import goods from India, at the outports of the United Kingdom. The Deputation urged every thing which occurred to them in support of the proposition of the Court upon this subject, as involving the essential interests of the Company; but they found, with regret, that the impressions which his Majesty's Government had received respecting it, since the date of Lord Melville's letter of the 21st March, were not in consonance with the sentiments of the Court of Directors. The Chancellor of the Exchequer, however, and Lord Buckinghamshire, expressed their intention of communicating, in writing, the judgment they had formed on the subject in question; and Lord Buckinghamshire having accordingly addressed a letter to the Chairman and Deputy Chairman, dated the 27th instant, that letter is now laid before the Court.

No. LV,

LETTER from the Right Honorable the Earl of Buckinghamshire, to the Chairman and Deputy Chairman, referred to in the preceding Minute.

Gentlemen,

India Board, April 27th 1812.

In communicating to you the sentiments of His Majesty's Government, after a full consideration of the several points which have been brought under their view, in consequence of the conferences and explanations I have had with you and the Deputation, since I had the honor of receiving your note of the 3d instant, it is unnecessary for me to enter upon the discussion of the Hints and Observations which have been the subject of the correspondence between the late President of the Board of Controul and yourselves, as far as those Hints and Observations have been sanctioned by the General Court.

It was to have been expected, that upon a question involving the various interests of so large a body as the merchants

chartered manufacturers of the United Kingdom, as well as of the East-India Company, that considerable differences of opinion should arise, and that reasons should be alleged of sufficient weight, to suggest the propriety of revising any plan which might originally have been concerted.

Under such an impression, Lord Melville, in his letter of the 21st ultimo, desired it to be distinctly understood, that public discussion, in the further progress of the measure, might possibly produce an alteration in some of the details, as well as regulations of a different description from those which were then suggested.

You would, therefore, not have been wholly unprepared for the communication made by me to the Chairman at a personal interview, when he was informed that the representations which had been brought before His Majesty's Government, since the publication of the correspondence already referred to, had led them to entertain an opinion, that they would best consult the public interest, by not confining the import trade from the East-Indies to the port of London.

The arguments adduced by you and the other members of the Deputation, and which had been urged with much ability, and at considerable length, in your letter of the 15th instant, have received the most serious attention of His Majesty's Government; but I have to acquaint you, that although they think that the great interest of policy and of revenue, as well as of the East-India Company, will render it their duty to propose to Parliament, that the existing restraints, respecting the commercial intercourse with China, should continue, and that the exclusive trade in tea should be preserved to the Company, for whatever term the charter may be renewed, yet that they remain of opinion that the import trade from the East-Indies should not be confined to the port of London.

They are not, however, insensible to the danger and mischief which the revenue, as well as the East-India Company, might suffer, if under the cover of that trade, an illicit commerce in tea were to be successfully carried on; but they conceive, that regulations, both in India and at home, may be so framed, as to guard against that danger, and to protect the Company and the revenue, whose interests in this respect equally require such protection, from the effects of it.

In submitting, therefore, the propositions to Parliament in this shape, the Government are persuaded, that whilst they would

would thus be supporting interests justly entitled to public aid and consideration; they would, at the same time, be pursuing a course as essential to the collection of a revenue of nearly four millions sterling, without breaking in upon that system, under which the salutary provisions of the Commutation Act, secure the people of the United Kingdom against any failure in the regular and constant supply of an article, which has become a necessary of life.

In considering the terms proposed for the renewal of the Charter, as they would stand, should the suggestions I have conveyed to you in this letter be adopted, you will be sensible of the high importance of bringing to a conclusion an arrangement in which the interests of the Company and the nation at large are so deeply implicated, with as little delay as may be deemed compatible with a mature consideration, and satisfactory adjustment, of the several claims and pretensions of the parties concerned.

I have the honor to be, Gentlemen,

Your most obedient humble servant,

(Signed) BUCKINGHAMSHIRE.

To the Chairman and Deputy Chairman
of the Court of Directors.

No. LVI.

At a Secret Committee of Correspondence,

The 29th April 1812.

Read a letter from the Right Honorable the President of the Board of Commissioners, dated the 27th instant.

Read also and approved draft letter to the President of the Board of Commissioners, in reply.

No. LVII.

At a Secret Court of Directors,

Held on Wednesday, the 29th April 1812.

The letter from the Right Honorable the President of the Board of Commissioners, dated the 27th and read in Court the 28th instant, was again read.

The Chairman from the Committee of Correspondence laid before the Court draft of a proposed letter in reply thereto.

And the same was read and unanimously approved.

No. LVIII

LETTER from the Deputation to the Rt. Hon. the Earl of Buckinghamshire, noticed in the preceding minutes.

My Lord, *East-India House, 29th April 1812.*

The letter which the Chairman and Deputy Chairman had the honour of receiving from your Lordship on the 27th instant, was the day following laid before the Court of Directors, and engaged their most serious attention. It has again been considered by them this day, and we have now to submit to your Lordship the answer which they have instructed us to make to it: an answer which, from having before well reflected on the principal subject of your Lordship's letter, delivers their mature opinion, and as they presume to hope, in the least time possible, being sensible with your Lordship that, in the present critical period of the negotiation, all unnecessary delay is to be avoided.

It is with extreme concern the Court find, that since the publication of the correspondence between the President of the Board of Commissioners and the Court of Directors on the momentous question of the renewal of the Company's Charter, his Majesty's Ministers have been led, by the representations which have been made to them, "to entertain an opinion, that they would best consult the public interest, by not confining the import trade from the East-Indies to the Port of London," and that they still hold this opinion.

Not having been made acquainted with the particulars of those representations, and having urged various arguments which remain unanswered, against the measure of opening the outports to the trade from India, the Court, under the disadvantages of such a situation, are imperiously called to the consideration of the circumstances in which the Company are now placed, and in which, according to the best judgment they can form, the Company would be placed, if the

the new Charter should open the outports of the United Kingdom to the returns of the Indian trade.

Whatever may be thought, my Lord, by the members of this country, of their right to enter into the possession of a trade, acquired and maintained through long struggles and vicissitudes, at immense expense, by the East-India Company; a trade still intimately connected with the security of the vast empire which the said Company have gained, and administer for the benefit of the nation at large; the Court of Directors are of opinion, that, however they agreed to make of that trade to the public, or, if they may be permitted to express their idea more accurately, the public prejudice, were very large, and they yielded to them undoubtedly in a firm belief, not at that time discouraged by His Majesty's Ministers, that the importations from India would be confined to London, as well as that the exclusive privilege of the China trade would be carefully secured to the Company. But the concessions frankly made by the Court of Directors and Proprietors, who regard themselves always as a part of the Public, and wish, as much as possible, to be in unison with it, have, it appears, only encouraged farther demands; and if the tide of prejudice, of popular clamour, of most extravagant expectation and unbounded pretension, which have been more industriously than fairly excited, were now to determine the public councils, not a vestige would remain of that great fabric, which has been reared in the course of two centuries, uniting with commerce an imperial dominion, which would be shaken to its foundation by the destruction of that system, which has acquired and preserved it.

It is no surprise, my Lord, to the Court, though it is undoubtedly a great consolation, that His Majesty's Ministers unite with the "great interests of policy and of revenue," those of the East-India Company, and that it must hence be their object to continue the political functions of the Company, and the means which are necessary for the maintenance of those functions. On this basis, the Court are happy to have the honor of meeting His Majesty's Ministers, and to continue the present discussion.

It is perfectly known, that for a series of years past, since the Indian territory has been loaded with an immense political debt, the Company have derived no surplus from the revenues. They have carried on the bur-
rency of their home affairs, they have even aided the political

political concerns of India; and, above all, they have made good the dividends to the Proprietors from the profits on their commerce; and, of late years, these profits have been derived chiefly from the China trade. From the still existing territorial debts of the Company, and the scale of their Indian expenditure, after all endeavours to reduce it, the Court of Directors have no prospect of pecuniary acquisitions, except through the same medium of commerce, for many years to come; and, as already intimated, it is the commercial profits of the Company which enable them to discharge the political functions assigned to them in the management of the Indian empire. Without this resource, or some equivalent one, not within their power, the dividends could not be continued, the value of the stock would diminish, and the Company be brought to a state of dissolution.

It is the extinction, or material diminution of the commercial profits, arising chiefly, as we have said, from the China trade, that we apprehend from the opening of the outports to the returns of the Indian commerce. If this extinction or diminution, were to take place, your Lordship will doubtless agree with the Court, in admitting, that the fatal consequences they contemplate, would follow; and that, after going on a few years on the new plan, the Company would be so impaired in its resources, as to be inadequate to the important part allotted to it in the system of Indian administration.

When the Court of Directors thus view the consequences of opening the outports, His Majesty's Ministers will not blame the anxiety with which they respectfully contend against that measure. The duty they owe to their Constituents, to their own characters, and to the Public, requires them, in such a case, to act with the greatest circumspection, in order to obtain a reasonable assurance, that the terms of the new Charter will be such, as will enable the Company to go on efficiently in the performance of the political functions it has hitherto discharged.

We do not apprehend, my Lord, that there is any difference in principle on these points, between His Majesty's Ministers and the Court of Directors. The main difference, in respect to the question of opening the outports, is as to the practical effects of that measure. It appeared,

appeared, in the conference, we had the honour of holding with the Chancellor of the Exchequer and your Lordship, to be his opinion, that checks could be devised to prevent an indefinite extent of smuggling tea, &c. into the Company, which we fear from opening the outports to the Indian trade. We have already given many reasons for thinking, that the practice of smuggling would, in such case, be uncontroulable. Those reasons, which need not be repeated here, we believe it will be difficult for the parties most adverse to the Company to refute, but the subject being so important in the present discussion, we beg leave to add a few more observations on it.

It is a fact notorious, that tea has been smuggled, by the way of India, into this Country, even when the duty was comparatively small; when the Indian import trade was confined to eight or ten Company's ships, and to the river Thames. How much more, then, is smuggling, beyond all bounds, to be expected, when the ships shall be unlimited in number and size, and may resort to the outports of England, Scotland, and Ireland? This practice would be much facilitated, because, in the numerous Eastern Islands, not subject to any European power, where we have said tea might be brought for English ships from China, there is no usage of clearing out vessels, or giving them papers or manifests. It would thence be easy for them to break bulk in the passage home, and as they approached the coasts of Britain and Ireland, to put tea, as well as other articles chargeable with duty, on board of ships and cutters, destined either for the port of the Continent, or the remote coasts of Scotland and Ireland, on which, for a hundred miles together, every where accessible from the sea, there is scarcely a custom-house, and where custom-houses could not be sufficiently multiplied. Vessels of very small size being allowed in the Indian trade, they could enter into ports and bays little frequented, and run goods to be carried inland and there dispersed. In some of the northern and western ports of the United Kingdom, we have heard that collusive practices between the revenue officers and the smugglers are not unusual. If this is the case, in respect to articles which pay a comparatively small duty, what would it be, where the articles of tea and Indian goods were

most in question? Ships might stop at intermediate ports for orders, and there smuggle; as those bound to the Western coast, at Cork and Falmouth; those to the eastern coast, at Falmouth and the Downs; those going north about, on the Irish and Scotch coasts. Ships having several ports of discharge, would thereby obtain facilities in smuggling; and the state of relations between this country and parts of Northern Europe may be such, as to afford the means of running goods into those parts, which, from their proximity, may again be able to smuggle the goods into our remote ports. In a word, we are led to apprehend, that the means and the temptation of smuggling tea, when an unlimited trade is permitted to India and the Eastern Islands, must be, in a very great degree, uncontrollable by any checks which His Majesty's Government can, in such circumstances, interpose. Nor is it to be overlooked, that a class of Indian goods, styled in the revenue language *prohibited*, because excluded altogether, as interfering with the manufactures of this country, will, by all the openings which the new trade will produce, be every where unavoidably brought into use. It is true, that even if the return trade of India were confined to the Channel, as we proposed, smuggling might be expected, but certainly, not, in our opinion, at all to the same extent. And had we conceived otherwise, the same objection we now advance against opening the outports, would have been urged against that enlargement of trade, in which the Court have acquiesced, and for the same reason, to prevent the ruin of the Company; which did His Majesty's Ministers apprehend, they would doubtless, in either case, have desired to prevent, even by refusing the required concessions to the British merchants.

With these views, my Lord, deeply impressed on the minds of the Directors, acting as they are in a most responsible situation, is it too much for them to expect and to request, that they may be honored with the knowledge of those means which his Majesty's Government may think would be effectual to prevent the practice of smuggling, under the new circumstances, to any ruinous or great extent?—could they have a reasonable persuasion of the practicability of such prevention, that would, undoubtedly,

undoubtedly, so far lessen their fears and the arguments on which they now rest if their duty to himself. They hope not to be misunderstood in this proposition, as it is shared both of the desire of His Majesty's Ministers, as well on account of the Company as of the revenue, to prevent smuggling, and of their belief of the probability of doing so; feeling also, as the Court do, the delicacy of seeming to interfere in any of the revenue regulations of Government, they are yet so circumstanced, in the present critical conjuncture, as to find this enquiry most interesting to the cause of the Company.

It is indeed true, that the Public appear to have a greater concern at stake here than the Company. The Public may lose the greater part of a revenue of four millions per annum, whilst the Company can have only to the extent of one million at hazard. But then this one million is all the Company's certain income: if they lose that, they lose the foundation on which their efficiency rests; unless, in the new arrangements, some other resource should be provided, which should secure the dividend to the Proprietors; a provision which, undoubtedly, would also materially affect the views the Court of Directors now entertain from contemplating the dangers of the Company's China trade. And suffer us, my Lord, since the assailants of the Company's privileges are so loud in representing their interests as those of the nation at large, to add this remark concerning the national interest in the present question, that if the revenue of nearly four millions, now so easily collected from tea, should fail, or fail to the extent of only two millions, other taxes must be laid upon the Public, to compensate for that loss: and whether the nation will gain so much otherwise, by the proposed enlargements of trade, may be a serious question with those who have to decide on this momentous concern; with us it is none. It may deserve also to be recollected, that with the fall of the Company's China trade will fall the exports of woollens and metals, to the extent of a million annually, by which the prosperity of the counties of Cornwall, Devon, Somerset, Dorset, and Gloucester, and Norfolk in some measure, have been upheld, during the arduous struggle of eighteen years in which the country has been engaged; the excellent fleet of ships employed

by the Company, with all the long detail of interests connected with them, must decay; whilst the nation will lose that certain and regular supply furnished by the Company of the article of tea, an article, as your Lordship justly observes, now become a necessary of life.

Before we dismiss this topic, may we be allowed to bring under your Lordship's inspection a succinct view of the capital and interests concerned in the Indian and China trade from the port of London.

There are about fourteen hundred commanders and officers belonging to the ships of the East-India Company (besides the scamen, who may be about eight thousand). The tradesmen engaged in the supply of the Company's shipping in the river Thames are about twelve thousand, and the labourers employed in their warehouses are about three thousand. All these, with their families and dependants, making an aggregate of upwards of thirty thousand persons, would, by the removal of the Indian trade from the port of London, be generally reduced to great distress, and many of them become burthensome to their parishes.

The capital now employed in the Indian trade may be moderately computed as follows.

The Company's capital stock of £6,000,000,			
at the price at which many Proprietors			
purchased, will amount to	-	-	£10,800,000
Capital in warehouses	-	-	1,000,000
Capital in ships	-	-	3,800,000
Capital in docks	-	-	400,000
Capital of individuals in the metropolis may			
be moderately estimated at	-	-	5,000,000
			<hr/>
			£21,000,000

The trade in which this large capital is employed produces, as we have had occasion repeatedly to observe, an annual revenue to Government of more than four millions sterling; and the net saving to Government, from the present mode of collecting the duties, may, we conceive, be fairly estimated at £150,000 per annum. By no means of direct and indirect taxation, the capital itself, and the profits upon it, yield a farther sum of large amount to Government; but the productiveness of the capital, in this respect, depends wholly upon the solidity of the basis on which it rests.

These

These, my Lord, are the sentiments and observations which we are directed to communicate to your Lordship. The reflection upon them has, we trust, been mature, though the expression of them, in the shortest time allowed for the preparation of this letter, may require indulgence. But we are further specially directed to add, that this is a concern of too great moment for the Court to trust to its own judgment, or to act on its own responsibility; the Directors have therefore summoned a General Court of Proprietors to meet on Friday next, when the correspondence with your Lordship, including this letter, will be laid before them for their consideration.

We have the honor to be, my Lord,

Your Lordship's most obedient humble servants,

(Signed)

HUGH INGLIS,
ROBERT THORNTON,
JACOB BOSANQUET,
W. F. ELPHINSTONE,
EDWARD PARRY,
CHARLES GRANT,
GEORGE SMITH,
WILLIAM ASTELL.

The Right Honorable the Earl of Buckinghamshire,
&c. &c. &c.

HINTS

FOR

AN ANSWER

TO THE

Letter of the Chairman and Deputy Chairman

OF THE

East-India Company,

TO THE

RIGHT HON. ROBERT DUNDAS,

DATED 15TH JANUARY, 1809.



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INTRODUCTION.

THE approaching termination of the exclusive privileges of the East-India Company, has naturally given birth to a very general enquiry into the wisdom of the system, upon which the commercial intercourse between this country, and our possessions in the East, has hitherto been conducted. Of those who have engaged in the public discussion of this momentous question, the gentlemen whose correspondence with Lord Melville has recently been published, are the most conspicuous, and certainly not the least able disputants. That these letters should have excited a very general attention, is by no means surprising. A much less distinct and elaborate statement of the case of the East-India Company, would, under the same circumstances, have been sufficient to awaken the curiosity of every man, who feels any interest in a question, to which probably but very few are wholly indifferent. Of the justice of the reasoning, and the accuracy of the statements, contained in the celebrated letter of the 13th January 1809, very different opinions may be entertained ; but in one point—a sentiment of satisfaction that the public are at length in possession of that document—all parties will probably concur. The adherents of the

Company

Company congratulate themselves, on the appearance of an argument, to which, in their opinion, no satisfactory answer can be opposed. They, on the other hand, who consider the monopoly at present enjoyed by that great corporation, as inimical to the best interests of the country, are not sorry that we are now, fairly and fully, in possession of the grounds upon which the East-India Company rest their claim to a further extension of the term of their monopoly—that we have at last an explicit and intelligible defence of their pretensions, compiled with much industry and circumspection, by men of acknowledged experience and ability—unanimously approved by the body, to whom the Court of Proprietors have committed the direction of their commerce, and the sovereignty of the East—and sent forth into the world, as their deliberate exposition of the principles, upon which they hope to perpetuate the exclusion of an immense majority of the merchants and capitalists of this kingdom, from all participation with them, in the trade of nearly one half of the habitable world. It is the object of the following pages to examine in detail, the arguments by which Mr. Parry and Mr. Grant have supported these pretensions, and the facts upon which those arguments depend. If it should appear, that the reasonings of those gentlemen are inconsistent with the most simple, and indisputable principles, of political and commercial policy—and that their facts are directly opposed to all
that

that can be collected from the most authentic sources of information on the state of India ;—if it can be shewn, that the united talent and information of the Directors of the East-India Company, directed to this single object, have failed in establishing any one of the positions, by which they hope to gain from Parliament the renewal of their Charter ; it will not perhaps be too much to conclude, that those positions are in themselves fundamentally erroneous, or at least that no concessions ought to be made, till some further, and more convincing proof is advanced, that any thing can safely be conceded.

Whatever opinion may be entertained upon the merits of the Letter of the Directors, the praise of a clear statement of the arguments by which they maintain their opinions, will not be denied them. The single purpose of this publication, being to controvert the facts and the principles advanced by the Chairman and Deputy Chairman, in their letter of the 13th of January 1809, such extracts from that letter, as are necessary to illustrate the argument, have been here republished, and subjoined to the remarks, which have occurred to the writer of these pages.

H I N T S,

&c.

IT is of the utmost importance, in the investigation of any controverted question, that the disputants on either side should ascertain how far their views of the point in debate coincide, before they enter upon an discussion of those topics, on which they are at variance. The writers of the letter, on which it is the purpose of these pages to animadvert, have, in conformity to this principle, commenced their argument, by stating what they consider, as the foundation of the whole subsequent discussion—that, in providing for the future management of India, the Legislature is to introduce no alterations, “ incompatible with the continuance or not reducible to a consistency,” with the system established by the regulations of 1784 and 1793.

“ Satisfied, by this declaration, that His Majesty’s
“ Government understand the interests of this country
“ and of British India too well, to intend any alteration
“ that would subvert or endanger the system by which
“ those vast possessions have been acquired, governed,
“ and improved, and by which alone they can be held,
“ to the mutual benefit of their immense population and
“ of the paramount state, the Court must, of course,
“ believe,

“ believe, that the propositions which have just been
 “ quoted, are supposed to be compatible with the con-
 “ tinuance of that system, or reducible to a consis-
 “ tency with it. These suppositions the Court are now
 “ called upon to examine, and they will endeavour to
 “ do so with the respect due to the authority with which
 “ they have to treat, with the duty which they owe
 “ to their constituents, and with that regard for the
 “ interests of their country, which they do not intend,
 “ nor feel themselves required to sink, in supporting
 “ the integrity of the present Indian system.”

It may not perhaps be very easy, at once to discover the whole length to which this general assumption may lead—or to understand, in what the “ integrity of the present Indian system ” may be supposed to consist. It seems however sufficient to observe, in reply to this fundamental proposition, that as the restrictions on the commerce of the East will terminate by law, in 1814, it will be for Parliament to investigate the whole subject unfettered by any past regulations. The Charters of 1784 and 1793, may or may not have been founded upon very wise principles of national policy. The investigation of that question may be an important enquiry for the historian of those days, or an interesting question for the consideration of a mere political theorist. It will however hardly be contended, that the Parliament of these kingdoms is to approach to the decision of this great question—a decision, upon which much of the happiness of a large proportion of the human race depends

depends — tied down to a servile adherence to former precedents ! — that in discharging the most awful and important trust, which has ever been committed to any legislative assembly upon earth, they are to reject without inquiry, any principle which may be submitted to their consideration—if it is not to be found in the former Charters of the East-India Company ! To say that the magnitude of the question should induce us to adhere to a system, of which we have already some experience, is to assume, that experience has not proved the system in question to be inconsistent with the interest both of the governors and the governed, (an assumption perhaps which some may be disposed to dispute) and that, if those grants were prudent and politic at the time at which they were made, it will therefore be prudent and politic to continue and renew them in the present very altered circumstances of the world.

Waving, however, any further consideration of the basis on which the Directors propose to treat with Parliament, for the renewal of their Charter, we will proceed to examine the arguments by which they hope to obtain a further prolongation of their monopoly.

“ With respect to the Private Trade, the Company
 “ are not governed by narrow considerations of com-
 “ mercial profit or commercial jealousy ; and, in fact,
 “ the Indian trade, as an object of gain, has gradual-
 “ ly ceased to be of importance, either to the Com-
 “ pany or to individuals.”

That

That the Company are not “ governed by narrow “ considerations of commercial profit,” is a position which will not be very much disputed by those who have ever looked at their periodical accounts, or who have any knowledge of the manner in which their commercial concerns have hitherto been conducted. That they are equally exempt from the influence of “ commercial jealousy,” may not indeed be so readily conceded ;—nor is it a very convincing proof of their superiority to such emotions, that they continue to press the exclusion of the Merchants of this kingdom from a trade, which they state to have gradually ceased, as an object of gain, to be of importance to them. It is not indeed very easy to find any other explanation of their anxiety to retain a traffic, which they admit is in their hands unprofitable.

But, allowing that, in this acknowledgment of their ill success in the Indian trade, the Directors have given a very correct representation of their own experience, their conclusion, that, that trade has also ceased to be an object of importance to individuals, hardly seems to be a very fair consequence. Does it follow that the enterprize, and sagacity, and undivided attention of the individual merchant, will be exerted without reward, because the East-India Company have in the same field been unsuccessful? The Directors, probably, will not seriously maintain, that their commercial knowledge and ability is an exact

measure of the commercial ability and knowledge possessed by the great body of merchants of this country, and that it is impossible that other men should be more active than their agents, and other speculations more wisely conducted than their own?

“ The Court are actuated by a thorough persuasion,
 “ that the unlimited freedom, for which some persons
 “ have, of late years, contended, would have political
 “ consequences more injurious to the power of
 “ this country and of British India, than the advantages
 “ anticipated by sanguine minds, from an enlargement
 “ of the commerce, could compensate, if
 “ those advantages were to be realized; and that,
 “ moreover, the expectation of such advantages is
 “ unfounded, resulting from general presumptions,
 “ which are contradicted by the nature of the Indian
 “ people, climate, and productions; and by the experience
 “ of more than two centuries.”

The political consequences which are made the grounds of refusing a perfect freedom in the trade to our Indian possessions will be considered hereafter; but it is denied that any advantages are expected by the merchants and manufacturers, which “ the nature of the Indian people, productions, and climate,” do not entitle them to entertain. Had the Directors been more conversant with the feelings and sentiments of the mercantile body, in the great outports of this kingdom, they would have known that, in those circles, no sanguine hopes of considerable *immediate* benefit, from the opening of the Indian trade, are indulged;

and that the prevailing opinion among that class of men is, that the progress of commerce in India, as in every other part of the world, must be slow ; but, that though slow, it will be gradual, and certain.

“ Now, with respect to the benefits supposed to be
 “ derivable from opening the trade with India, it is, in
 “ the first place, to be observed, that no material en-
 “ largement, if any enlargement at all, is to be ex-
 “ pected in the exports of our manufactures to that
 “ quarter. The records of the Company, for two
 “ centuries, are filled with accounts of their endea-
 “ vours to extend the sale of British products in India,
 “ and of the little success which has attended them.
 “ The French, Dutch, and other European nations
 “ trading thither, have equally failed in introducing
 “ the manufactures of Europe there. This was not
 “ owing to their trading chiefly in the form of Com-
 “ panies ; the Americans, who within the last twenty
 “ years have entered into the Indian commerce, and
 “ traded largely, not as a Company, but by numerous
 “ individuals, each pursuing his own scheme in his own
 “ way, in which course no part of the East is left
 “ unexplored, carry hardly any European manufac-
 “ tures thither, their chief article for the purchase of
 “ Indian goods being silver ; and such has been the
 “ state of the trade from Europe to India since the
 “ time of the Romans. This state results from the
 “ nature of the Indian people, their climate, and their
 “ usages. The articles of first necessity their own
 “ country furnishes, more abundantly and more
 “ cheaply than it is possible for Europe to supply
 “ them. The labour of the great body of the common
 “ people only enables them to subsist on rice, and to
 “ wear

“ wear a slight covering of cotton cloth ; they, there-
 “ fore, can purchase none of the superfluities we offer
 “ them.”

That the merchants of this country do entertain those expectations of *ultimate* benefit, from the opening of the Indian trade, which the Chairman and Deputy Chairman attribute to them, is indeed not to be denied ; nor do they apprehend that those expectations are wholly unreasonable. To prove the fallacy of these hopes, the Directors have recourse to two principal arguments ; 1st. that there is not at present, and that there is no prospect that there will be hereafter, any considerable demand in India for the produce or manufactures of this country ; and 2dly. that there is not in Great-Britain, or in the continent of Europe, any market for the produce, or manufactures of the East, which is not already abundantly supplied by the imports of the Company. Upon the first of these positions, it may be observed, that it proceeds upon the very inadmissible assumption, that the population of India is always to remain, in regard to the consumption of our manufactures, exactly in their present condition ; and that India is to form an exception—the single exception, in the history of the world, to the general truth, that a free commercial intercourse between civilized and uncivilized nations, has invariably been the precursor of a rapid advancement among the latter of all the arts and habits of cultivated society—that

with the increase of those arts and habits, the commerce to which they were indebted for their origin, has proportionably augmented—that a free trade, is at once the parent, and the offspring, of every liberal art, and every useful science. But, say the Directors, “*the nature of the Indian people, their climate, and their usages,*” form an insuperable obstacle to the operation among them, of these simple, and as it might have been supposed, universal principles of human society, or rather of human nature. What! are not these libelled subjects of the Company, men? Have they not the common tastes, and feelings, and dispositions of men? Are the Bramin and the Hindoo, among all the sons and daughters of Adam, alone contented with “articles of the first necessity,” when superfluities and luxuries are placed within their reach? But experience and fact, we are told, have decided the question. For two centuries the Company has been endeavouring to extend the sale of British produce in India, and, as they admit, with very little success. Of the early records of their transactions, we certainly know but little, and we are inclined to suspect that much is not to be known. But in their more recent history, a very careless enquirer might perhaps discover some events, and some traces of a policy, which would afford a satisfactory solution of the phenomenon in question, without recurring to the revolting supposition, that there is in the Indian people any inherent incapacity

incapacity for improvement. That a great corporation, conducting its affairs by the agency of a numerous train of servants, unconnected with each other, and very remotely, if at all interested in the welfare of their employers, intrusted without any previous discipline, with the conduct of the most delicate and perplexing mercantile transactions, and surrounded with all the pomp of Asiatic state, at a period of life which the sobriety of European manners dedicates to study and seclusion; that a trade so conducted should not easily have been extended, is, indeed, not very unaccountable. But is there not in the constitution of the East-India Company, another circumstance which still more clearly explains why India has for so many generations, been connected with European traders, without having made any progress in European arts or in European civilization? The truth is simply this, their character of merchants has been sunk in their character of sovereigns. To the maintenance and extension of their territorial empire, objects merely mercantile have been sacrificed without hesitation or reluctance. Every European whom merit or fortune has thrown into any political, financial, or judicial station in the Peninsula, feels a distinct and personal interest in the permanency and extension of the empire of the Directors. The viceroys and judges of India, are bound to its support by every motive of vanity, ambition, and interest. In the *commercial* prosperity -

increased length of the voyage and the facility of shipping a quantity of the precious metals by the smuggling trade with the South American Continent, without deviating a league out of the course of their voyage ; and can it be insisted, that the failure of the Americans to introduce manufactured articles into India, is a proof of any indisposition in the population of nearly one half of the habitable world to use these articles, which are little less than essential among the other half ? The experiment, we will venture to assert, has never been fairly made. We are taunted with the reproach of being visionaries and speculators, for wishing that it should be attempted. We would reply to that reproach, that, in our humble conception, no visions are so frantic, no speculations so monstrous and wild as theirs, who can seriously believe that, from the Cape of Good Hope eastward, to the Streights of Magellan, the world is destitute of those tastes and dispositions which, under every other latitude, are found to be the master passions of the human character ; who believes this monstrous proposition, not only without proof, but in defiance of all evidence, and in contradiction to all experience.

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“ To these facts and observations, arising from the
 “ nature and circumstances of the people and countries
 “ of India, one remarkable argument may be added,
 “ furnished by our own experience at home. In the
 “ Charter of 1793, provision was made for the export
 “ of British manufactures to India, by any individual
 “ who

“ who might choose to embark in that trade. The
 “ Company were required to find them tonnage to a
 “ certain extent, which has always been allotted at
 “ a rate of freight cheaper outward, as well as for
 “ the returns, than the Company themselves pay, or
 “ as the Court think, than private ships could furnish
 “ it. But, in all the time that has elapsed since,
 “ very few applications, and these to a small extent,
 “ have been made, for leave to export the woollens,
 “ metals, and other staples of this country, on private
 “ account, the chief applications having been for the
 “ freight of wine, for the consumption of Europeans.”

The Directors have still, however, yet another instance to advance of an unsuccessful attempt to introduce the manufactures of Europe into the East. The private traders who have engaged in that traffic under the Charter of 1793 have, it seems, carried on a very insignificant commerce, and that little with the European, and not the native inhabitants of India. Now if any thing could prove to demonstration, how little dependence these acute and well informed advocates of the Indian monopoly place in the whole argument for its continuance, derived from the difficulty which has hitherto been found in introducing European manufactures into the Peninsula, the adoption of such reasoning as this, must amount to such a demonstration. To pinion men down by every restriction which “ commercial jealousy ” could devise ;—to bid them send their goods in the ships of their commercial rivals, and in such proportions by each ship, as these rivals

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should

should determine ;—to deny them any power of regulating the time of sailing ;—to compel them to apply for freight and to pay, or give security for the payment of that freight, six months before the shipment of their goods ;—to call in October for lists of the quantities and qualities of these goods, of which their rivals were to have the carriage in the following April ;—to subject them to forfeiture of their freight for non-delivery of those lists ;—to afford them no means of removal from an overstocked market ; and no factors but such as were licensed by, and dependent on those rivals ;—to limit the residence of these agents to the distance of ten miles from their own settlements ; and then, because when thus shackled and handcuffed, they have made but little progress in introducing their manufactures into the East ;—to turn upon them and say, “ See, you have done nothing—you find that India has “ no market for your articles, and that you have no “ prospect of increasing your exports ” — may, if meant as a sort of practical joke, be passable enough, but if intended as serious argument, is really little else but insult. The slave dealers who reproached with stupidity and ferocity the unhappy beings whom the stupidity of their owners degraded, and the ferocity of their drivers brutalized, were hardly less just, or less reasonable.

“ Let it be inquired, in the next place, whether the “ adoption of so great a change in our Indian system, “ would

“ would be followed by the discovery of such new and
 “ valuable productions of the East, as would serve
 “ materially to augment the trade of this country with
 “ the Continents of Europe and America ; for, with
 “ regard to the supply of our home consumption of
 “ Indian commodities, it cannot be asserted, that the
 “ importations already made by the Company and
 “ individuals do not abundantly suffice for it, or may
 “ not, at any time, be extended to the exigencies of
 “ the market ; in which, it may be noted, that a
 “ preference is given to the cotton and silk manufac-
 “ tures of our own country, and to some of the
 “ tropical productions brought from our West-Indian
 “ Colonies. Nor can it be asserted, that new adven-
 “ turers in the Eastern trade, sitting out from Great
 “ Britain, could, with any profit to themselves, fur-
 “ nish the home consumption on cheaper terms than
 “ it is now supplied ; for both the Company, and
 “ British individuals resident in India, must have an
 “ advantage over such adventurers in the provision of
 “ goods there (British residents in the freight also),
 “ and yet, of late, the great Indian staple of cotton
 “ piece goods has been a losing article in this country.”

Come we now to the enquiry, whether we could
 find in the Indian market any articles which we might
 import into Europe, as a return for the commodities
 which we hope to be able to carry from hence. And
 here we must again protest against the assumption of
 the Directors, that the subjects of their immense em-
 pire, would not be most materially ameliorated by
 the influence of a free trade, carried on between this
 country and India. That the demand for the piece

goods of the Peninsula, is, at present, very inconsiderable, and that the supply is consequently small, we do not dispute; but, would not that demand progressively increase, as the price of these articles progressively diminished?—and would not the Hindoo, tempted by our manufactures, and instructed by our agents, learn to work up these goods at an expence incalculably less than that at which they are made at present?—and should we not have in these articles, when so reduced in price, a sufficient and a profitable return for our exports? These improvements are not the work of a day it is true; and, for want of some returns immediately, the trade by which these improvements are to be fostered and created, will, it is said, be destroyed in its cradle. We reply, first, that the free traders would find, at the first opening of the commerce of the East, some returns for their exports by supplanting the present trade of the Company—a scheme which we suspect they will prove hardy enough to undertake, notwithstanding the assurance of the Directors of the hopelessness of such a project. We reply, in the second place, that the enumeration of the Chairman and Deputy Chairman does *not* comprehend all, or even all the most material exportable articles of the East;—that our merchants would probably ship tallow, and hides, from the Cape, and rice, and flax, from the Peninsula, even if the enumerated articles of export did not at *first* supply
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a sufficient return for the manufactures of Sheffield or Glasgow;—that the traders of Liverpool and Bristol would not be under the necessity of returning to the ports of Great Britain in ballast, so long as the decrees of Napoleon, and the fears of Russia, impede the supplies we have usually received from the European Continent.

Thus much in answer to the apprehensions, that our expected trade to the Peninsula will be blighted in its infancy, by the want of returns for our exports. But when we look forward to the probable future state of India, it really becomes difficult to treat with respect, the fears (perhaps we should say the hopes) of the Directors, that the East would not ultimately be able to make adequate returns for the exports of Great Britain. Considering the cheapness of labour, throughout almost the whole of these extensive countries—the docility and mechanical ingenuity of all classes of their population—keeping it in mind that they have already, in no slight degree, learnt the value of those luxuries, which opulence would bring within their reach—and remembering that the operations of banking, and all the other arts which experience has contrived to facilitate the details of commerce, are familiar to them—and that in the love of external pomp they are surpassed by no nation upon earth—can any man believe—can such men as Mr. Parry and Mr. Grant (except indeed when seated in the chairs of the Company)

pany) believe, that such a people as this, will not be roused into exertion when the gratification of their taste, their vanity, and their love of gain, will be the immediate reward ?

These prospects we are told, however, are illusory, and opposed to fact. “ From the *nature of the Indians* “ and their division into castes, it is not so easy among “ them as in Europe, to meet an increased demand “ by increased production.”* We have much respect for the experience, and the most absolute confidence in the veracity of Mr. Parry and Mr. Grant, but we are notwithstanding, somewhat distrustful of the accuracy of this representation. We speak from high authority (and if the assertion is questioned that authority will be produced), in saying, that the reverse of this statement is correctly true, that the division of the Indians into castes, very much facilitates the introduction among *any particular* caste, of any new habits, fashions, or usages, which may be adopted by the men of principal authority and influence among them ; and that so far from any difficulty existing in producing an increased supply of Indian manufactures to meet any new and unusual demand, that there are to be found throughout the whole extent of Hindostan, large numbers of persons belonging to all the different manufacturing castes, who are prevented only by want

* See page 29.

want of employment, from engaging in their respective hereditary occupations. Immense numbers of weavers especially, are to be found in this situation. So much for the alledged incapacity of the Indians, to meet any increased demand in consequence of their division into castes. What impediments may arise from the "*nature of the Indian people*," we have already considered. The sentiments, as well as the sceptre of Aurengzebe, seem to have passed into the hands of these imperial traders.

" The chief commodities suited to the European market, which India has hitherto been found to produce, are spices, pepper, drugs, sugar, coffee, raw-silk, saltpetre, indigo, raw cotton, and above all, cotton manufactures of singular beauty and in endless variety."

To return to the consideration of the several articles of export from India enumerated by the Directors. The tonnage of the Company we are informed, is sufficient for the importation from India of all the spices, pepper, drugs, sugar, coffee, raw-silk, salt-petre, indigo, raw cotton, and cotton manufacture, which the present consumption of Europe demands. We are disposed to admit the truth of this statement, and even to go one step further, and allow, that, supposing the monopoly continued, we do not think it at all improbable that the present tonnage of the Company will always be sufficient for the importation of so much
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of those articles, as the consumption of Europe will on that supposition at any future time demand. Most of these articles can now be purchased by the rich alone, “and being articles of luxury (say the Directors), can only have a limited consumption.” As long as they continue articles of luxury (if by that term is meant costly articles), so long unquestionably they will not come into the hands of those who have but little to spare, except for the necessaries of life; but why need it be supposed that this is always to be the case? That a Corporation, feeling little or no interest in the extension of their trade, will not so encourage the productions of these commodities as to bring them within the reach of the lower classes of European society, experience has certainly proved, but is it probable, that free traders will be equally remiss in extending the consumption of the articles of their trade, by lessening in every possible manner the expence of cultivating and producing them? Three of the enumerated articles of Indian import, silk, cotton, and hemp, cannot however, it seems, ever form any great staple in the imports from the Peninsula, in consequence of the competition of Italy, Georgia, and Russia. With respect to hemp, it is to be observed, that the uncertainty of the supply from the political circumstances of Russia, very materially diminishes the probability of any very formidable rivalry from that country. The raw silks of Italy are produced with much more
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expencc than those of India, and though it is true that all the expenses of the voyage from the Peninsula, are saved on the import of the Italian article, yet it is also true, that the specific gravity of silk renders it a very convenient and therefore a very advantageous part of a shipment from the East. Whatever advantages the cottons of Georgia may possess from the vicinity of that country, yet in any competition with the productions of India, the superior quality of the article which experience has shewn, might, under an improved state of culture, be raised and imported from thence, would always give an indisputable preference to the Indian trader, in every market in which the finer kinds of cotton were in request. With respect to the three last articles, it is also to be observed, that the amelioration in the state of Indian manufactures and husbandry, which the advocates for a free trade to the Peninsula confidently and as we think not unreasonably expect, as the result of that measure, will give to the products of that country, great additional advantages, in a competition with the manufactures or produce of any other part of the world.*

“ But were it indeed otherwise, where, in the present circumstances of the European Continent, could new commodities, imported into this country from India, find a vent, when many of those already made, and of articles which the Continent used to take off, remain in our warehouses ?”

In failure of every other argument, to prove that no extension of the present trade with India can be made with advantage to the importer, we are at last referred to the present state of the European Continent.

We have before had occasion to hint a suspicion of some lurking distrust in the minds of the Directors themselves, of their own reasonings, and we are the more confirmed in that suspicion, by their condescending to seek support from such an argument as this.

Is it so clear that the present is to be the permanent state of the Continent? May we not, without the imputation of being very visionary speculators, hope, that the time is not far distant, when an empire acquired and maintained by means which humanity never sanctioned, will be overturned by the sure though tardy vengeance of insulted nature. It is not indeed, it is not an unwholesome lesson for all unlimited sovereigns, whether they rule as individuals or as companies, to learn, that dominion acquired by plunder, is but too certainly destroyed by the same means which were used for its acquisition; that the bloodshed which precedes the establishment of a despotic throne, is but the first and the least sanguinary act in the fatal tragedy, which despotism has too frequently exhibited upon the great theatre of the world. But if the Directors will compel us to examine how this great question

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is affected by the present circumstances of Europe ; if they will have us introduce this element into our calculations ; why then we ask, are there no circumstances in the present state of Europe or of Great Britain, which call upon the Parliament of those kingdoms for immediate relief ? Have we no manufacturers unemployed, or employed only in the destruction of the public peace and security ? Have we no unusual impediments to commercial speculation, which can only be removed by opening new channels for our enterprise ? and it is at this time, under such “ present circumstances,” that we are called upon to throw the whole traffic with 400 millions of people into the hands of a Bankrupt Company, of a Company who by their own confession, are ceasing to look to that trade as an object of gain, and whose decreasing capital bears but too just a proportion to the progressive diminution of their exports ? But it will be objected, the legislature would in vain endeavour to appease present disturbances, and to allay present heats, by holding out the prospect that in the year 1814, a new trade will be opened to our needy manufacturers. That the legislature will not so create new resources for the present supply of these manufacturers, we admit ; but will they not create consolatory expectations ? will it not be an additional and powerful argument in the mouth of those who are exerting their authority and influence to promote internal peace and good order amongst us, if

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they

they can say to these unfortunate sufferers, that their representatives are not indifferent to their distress, that the influence of this mighty Company has weighed less with them than the wants and necessities of their constituents, and that the government has established some claim to the gratitude of their subjects by omitting no measure which could be devised for their relief? To us, in truth, a view of present circumstances would lead to very different conclusions from those formed by the Directors, were not such considerations really undeserving of serious attention, in forming a decision of which it is not too much to affirm, that the consequences will be felt in ages, when all the awful projects and apprehensions which now agitate every corner of the civilized world will be consigned to oblivion.

It would really be diverting, if the subject were not too serious for mirth, to observe the language held by these incorporated merchants on the subject of their monopoly. “ *The refusal of the Company to make concessions* ” to the people of these realms, are supposed by their official advocates to have been the origin of certain unfounded complaints. Truly this new dynasty might well take a lesson of courtesy from some of the abdicated sovereigns of the East. The florid exuberance of style in which the stately language of oriental diplomacy is clothed, is at least some token of real or assumed respect for those to whom it is addressed, and to us ordinary folks, it would scarcely seem
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less preposterous should these new potentates embellish the entries in their ledgers and day-books, with the tropes and rhetoric of those very eloquent personages, than that they should adopt in these their state papers the dignified tone of European cabinets. This, however, we admit is mere verbal criticism, and though in point of taste, we think such sort of phraseology is not the most happily selected, we are not very solicitous to dispute that matter with them.

“ And hence may appear the inapplicability of that
 “ argument, which has sometimes been urged in favor
 “ of enlarging, or rather opening the Indian trade to
 “ individuals, ‘ that they should be allowed to bring
 “ ‘ home *the surplus produce of India* which the Com-
 “ ‘ pany did not require.’ There can be no room for
 “ additional importations, when the ordinary scale
 “ proves too large. But in the use of this plausible
 “ plea, respecting *surplus produce*, there was always
 “ a great fallacy. It seemed to imply, that there was
 “ a stock of commodities in India which continually re-
 “ mained undisposed of, whereas nothing is more evi-
 “ dent, than that the productions of any country will
 “ be regulated by the demand, and that no agricul-
 “ turists or manufacturers will go on from year to year
 “ to produce that for which they have no sale. The
 “ term, as connected with the Company, might also
 “ convey the idea, that *they* were the only purchasers
 “ in the country ; whereas, at that very time, British
 “ residents and foreign nations had the privilege of
 “ exporting goods to the western world, and there
 “ was a great coasting and internal trade from one
 “ part of India to another. But the argument for
 “ permitting

“ permitting individuals to export the surplus produce,
 “ included fully, though not professedly, the principle
 “ of transplanting British capital to India, in order to
 “ raise produce there ; a principle which, it may be
 “ thought, this country has already carried sufficiently
 “ far in its other distant dependencies, and which
 “ could not be applied to India without political con-
 “ sequences.”

The concession which the Company refused to make, is one which we apprehend will never be solicited again, “ a liberty to bring home the surplus produce of India, which the Company did not require,” that is we suppose a permission to go into the Indian market to buy up whatever refuse articles the Company’s agents might be unwilling to purchase. To granting this certainly not very presumptuous request, the Directors it seems had two objections; 1st. That there was no surplus produce to be found in the Peninsula, inasmuch as the supply of Indian wares would not of course regularly exceed the regular demand of the purchasers of those articles. Now; admitting the accuracy of this statement, one of two consequences we submit, must have been the inevitable result of permitting these buyers of surplus produce to enter into the market—either they would have found nothing to purchase, and would have desisted from the attempt—or their intervention would have *created* a surplus produce, and they would then have been able to ship whatever cargoes they might have chanced to require

require. This latter result *we* certainly imagine would have been the consequence of such a concession, and so probably thought the Directors; nor is it a matter of much surprize, that, under the influence of such expectations, they should have refused to grant the desired indulgence. Another principle it seems of very alarming import was also included in this request of our merchants, “ the principle of transplanting British capital to India, in order to raise produce there.” Of the evils likely to arise from the adoption of such a principle, the Court of Directors appear to entertain no small apprehension, and indeed, no man will reproach them with having in their own *commercial* transactions been guilty of this fatal error.

But why, may we not ask, should this transfer of British capital to India be deprecated, as a policy pregnant with so much evil? If, by being transplanted to a kindlier soil, it can be rendered more productive;—if its increased returns are to be poured back into the bosom of the country from which itself was derived;—if, instead of lying as it now lies, and as in our advanced state of society it must always, in some degree remain, uncultivated and unimproved, it were used to call forth the activity, to stimulate the invention, and to ameliorate the condition of millions of our fellow creatures and fellow subjects, and, by a chain of causes as immutable as the course of nature itself, ultimately to ameliorate our own;—would any wise man

man lament such an employment of our wealth—would any body of men, wholly exempt from “commercial jealousy,” lament it? To the very hasty and imperfect sketch we have attempted to give of the probable effect of a free trade, on the vast regions now under our dominion in the East, we refer for the proof, the only proof which the nature of this discussion enables us now to give, of the justice of those expectations.

Resolved, however, to justify, at all events, the severity of their refusal to the merchants of this country of any participation, even in the surplus produce of India, the Directors next, (not wholly in consistency with their former argument) proceed to observe, that some surplus produce (taking that term as applicable to all that exceeds the wants of the Company themselves) may be raised within their empire, but that “British Residents and foreign Merchants have the privilege of exporting goods to the Western world.”—We can easily understand, that it may be much more convenient to the Company to acquiesce in a “surplus” trade, carried on by British Residents and foreign Merchants, than in any commerce in which British Merchants should immediately participate.—British Residents are not very dangerous rivals, and “foreign Merchants” are to be found under that, or some other equally convenient ambiguity of name,

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in almost every traffic established on the face of the globe.

“ With respect to the Americans, they owe their advancement and success in the Indian trade to the treaty made with them by our Government in 1794, to the belligerent state of Europe since that time, and, above all, to the neutral character they possessed, which enabled them to navigate more cheaply, more expeditiously, as well as more safely than our merchants or the Company could, and to supply many parts of the European Continent and of South America, to which our ships had no access. These, with the increase of the consumption of eastern commodities among themselves, are the true causes of the growth of the American trade with India; and even the abolition of the Company’s privileges would not have transferred the share they acquired of it to our merchants, because it could not have lessened the advantages under which the Americans then carried it on, nor have gained us either the supply of their internal demand, or admission to many ports which were open to them. What the Company could do, in the way of regulation, to reduce the inequality between the American traders and our own merchants, you know, Sir, was effected, as soon after the expiration of the treaty of 1794 as His Majesty’s Government thought expedient.”

Among those foreign merchants, into whose hands this trade has fallen, the Americans are, unquestionably, our most formidable and active rivals; and the Directors feel it especially important to shew, that the intervention of that enterprising people into

the commerce of the East, has not been owing to any "erroneous policy on the part of the Company."—Several European nations having (we are informed) from the native Sovereigns of India, the right of possessing settlements and carrying on trade there, "we could not interrupt the exercise of it, whilst they remained at peace with us." To which of the European nations does this description apply at present? and may not that policy be, without injustice, stigmatised as unwise, which has, at an immense expence of blood and treasure, expelled the nations of Europe from their trade and settlements in the East—not for the purpose of rendering those settlements advantageous to Great-Britain—not for the purpose of "bringing that trade into the Thames," but to give the citizens of the United States, still greater facilities in underselling us, not only in their own markets, but in Turkey, in South America, in the North of Europe, in short, in every market in which we still might have entered into competition with them? That competition it seems, however, would have been ineffectual! The advantages of their "neutral character" enabled the Americans to carry on this trade so "cheaply and expeditiously," that even "the abolition of the Company's privileges" would not have transferred the share they acquired "of it to our merchants."—Some counterpoise against these advantages, might, it is supposed, have been found

found in the power which, as sovereigns of India, the Company possessed of laying additional duties upon this American traffic, but all that could be done in the way of regulation, was, it appears, “effected, “as soon after the expiration of the treaty of 1794, “as His Majesty’s Government thought expedient.” —That treaty expired in 1806, since which period we have completed the conquest of all the settlements of which the nations of Europe were in possession throughout India; and is it to be contended, that the wealth of Great Britain is to be squandered in making distant conquests, of which a neutral is to reap all the benefit?—that we have conquered Batavia and the Mauritius, without having acquired a right of regulating the traffic of those settlements for our own benefit? Great, indeed, are the advantages of neutrality, if it can claim such privileges as these; if, in addition to all the means of cheapness, security and dispatch, with which the American trader can navigate the ocean, he is to be admitted to a free trade with all the settlements which our arms have acquired, exempted from those duties and restrictions which every state has an unquestionable right to impose upon the trade of foreigners, with its own colonial establishments, and is to possess these advantages, not in common with our own merchants, but in preference to them, and even to their absolute exclusion.

Upon this part of the subject, it becomes, however, unnecessary to enlarge, from our being, fortunately, in possession of a most important and conclusive proof of the ruinous effect of this preference of American to British traders, in the letter of the Marquis Wellesley, dated at Fort William, 30th September 1800. To this most interesting document, we beg leave to refer those who may doubt whether, in this instance at least, the policy of the Company has not been “erroneous.”

Among the terrors which have taken possession of the Company, in the prospect of a free intercourse between this country and the East, the fear of a “ruinous competition in the markets, both at home and abroad, appears to be the most predominant.” Upon this subject something has already been advanced in the course of these remarks, and much more, at a more convenient opportunity, might easily be offered. Strange, indeed, are the apprehensions with which men are haunted, when their reason and their memory have submitted to the dominion of fancy. History has been written to no purpose, and philosophy has commented on it in vain, if, in these days, men, to whom both philosophy and history are familiar, are still watching with anxiety the proportionate amount of exports and imports, and trembling, lest the prodigality of our merchants should plunge us into a traffic, of which all the loss would be sustained by Britain, and
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all the benefit acquired by India.—If, indeed, our merchants acted in corporations, and not as individuals,—had they no personal interest, to stimulate their activity and to awaken their circumspection,—had they, in short, all the vices of joint stock companies, there might be some justice in these alarms. Considering the expectations, however, which the Company entertains of the total dissolution of their own commercial existence, the concern which they express for the future mercantile disasters of the country, must be admitted to be at least a very liberal and disinterested anxiety.

“ And, in the first place, it would, in substance
 “ and in form, entirely abolish the qualified monopoly
 “ which the Company still enjoys of the Indian trade.
 “ The admission of all private merchants, at their
 “ pleasure, and of their ships, into that trade, would
 “ make it as perfectly free as the trade to our American
 “ or West-Indian colonies. There would, as to India,
 “ be an end of all exclusive privilege of trade.”

We are now to consider the effects of the proposed change upon the East-India Company and upon British India. Of these the first is, “ that the admission of all
 “ private merchants at their pleasure and of their ships
 “ into” the Indian trade, “ would, in substance and in
 “ form, entirely abolish the qualified monopoly which
 “ the Company still enjoys ” of that trade. To say the honest truth, we are not very well able to refute this reasoning. However sceptical other men may be, we
 feel

feel ourselves compelled to admit, that the destruction of the Company's monopoly would be inconsistent with its existence, and that they would not alone be able to speculate in the Indian trade, when other men might engage in it at their pleasure. Having therefore very fairly made this concession, we are relieved from the necessity of examining the very elaborate argument, with which it has so ably and irresistibly been supported.

In the other alledged mischievous consequences of throwing open the Indian trade, we are not disposed quite so readily to acquiesce ; the mere enumeration is however not a little alarming. The destruction of the Company in their political capacity ; a ruinous competition in the markets both at home and abroad ; disappointment and consequent discontent ; a violation of the territorial rights of the Directors ; the destruction of all East-Indian sales by public auction ; the abandonment of their factories ; want of employment among the commercial branch of their civil servants ; the impracticability of procuring bills upon Great Britain ; the disuse of their ships , the ruin of the China trade ; the sacrifice of our revenue ; and the loss of India ! Awful indeed is the responsibility of those whose task it is to legislate for the world, but to legislate under the apprehension, that consequences such as these are dependent on their decisions, may well overwhelm the weak and intimidate the firmest minds. In this debating

ting age and nation, but few, probably, amongst us, and but very few indeed of our legislators, can be so little versed in political dispute, as not to be on their guard against that sort of *ruse de guerre*, which is so commonly practised in almost every description of public controversy. To overwhelm an opponent with a detail of the miseries and destruction, to which his measures or his projects tend, while all proof of the approach of those miseries, and the probability of that destruction, is withheld—in stating the evils to which the adoption of one alternative will lead, to omit any mention of the mischiefs which will probably be consequent upon the other—to attribute to the schemes of your adversary all the wretchedness and disaster, for which the mismanagement of preceding generations has prepared the way, are among the most cheap and easy arts to which men, diffident of the opinions for which they are disputing, are accustomed to resort. But though this species of attack is easy, the assailant can thus impose upon his antagonist a duty sufficiently arduous. It throws upon him the burden of disproving the widest and most sweeping assertions, and subjects him, when his proof is completed, to the mortification of being told, that he has left untouched the particular views and arguments, upon which the conclusions of his opponent depend. He, however, who voluntarily engages in the contest, has no right to complain of those practices, which the usages, rather than the laws
of

of political warfare, have established. So far, therefore, as it may be practicable, compatibly with that brevity which it is our purpose to ensure, we will proceed to consider in order the several disastrous consequences, which the Directors assure us will be the result of opening the trade to the Peninsula.

“ The loss of the Indian monopoly, such as it was left by the Act of 1793, would lead, by no slow process, to the entire subversion of the Company, both in their commercial and political capacity, and of that system which the Legislature has appointed for the government of British India, of which system the Company forms an integral and essential part.”

First then it seems that the subversion of the Company in their commercial and political capacity, will be the consequence of the loss of the Indian monopoly. Some men might question whether this consequence, admitting its probability, would really be an event much to be deprecated; with the political part of that subject, however, we have at present no concern.

That the subversion of the Company, in its commercial capacity, would be the issue of the proposed alteration, is, we certainly think, very highly probable; and why should that result be lamented? Could the loss of a trade, to which they have ceased to look as an object of gain, cause any diminution of their revenue? or rather, would not the duties, which, as sovereigns of the Peninsula, they would levy upon the then aug-

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mented trade of their empire, be a source of revenue of which they are now wholly destitute. That some direct influence may be acquired by their authority in the markets of the East, over those by whom those markets are supplied, may be allowed ; but it must also be remembered, that trade is a system of reciprocal obligation, and that any power so gained will be pretty fairly balanced by the dependence which, in the same transactions, will be necessarily incurred. Nor is it in the estimate of the consequences, of which the loss of their monopoly might be productive, to be forgotten, that much of an indirect, but most powerful influence, might be acquired, by displaying themselves to the Asiatic world in pomp and splendour, befitting their exalted station, not as the brokers and pedlars of Europe truckling for some paltry bargain, but boldly claiming the sovereignty of India, and becoming in profession what, in intention and policy, they have so long sought to be.

“ If the change itself did not occasion the fall of
 “ the Company, the disappointments which the private
 “ adventurers could not fail to experience would, by
 “ them, be charged to the influence of the remaining
 “ privileges of the Company, and they would not
 “ rest until the whole were extinguished.”

Descending at length to less momentous considerations, the Directors discover, amongst the evils which a free trade with India would call into being, one ca-

lamity which does not at first sight appear to wear a very alarming aspect. “ The disappointments of private traders would be charged to the influence of the remaining privileges of the Company.” That complaints and reproaches would be more effectual to undermine whatever privileges the Company might then retain, than they have been to subvert those of which they are now in possession, is not very credible ; at least, the Company having made a fair experiment of the inutility of concessions, would have then a much stronger argument, to disprove the policy of yielding to such complaints, than any of which they are in possession at present.

The justice of the territorial claims of the Directors, it is not within the object of these pages to discuss.

“ With the cessation of their Indian trade, their
 “ Indian subordinate factories, which have been reared
 “ in the course of more than a century, and which
 “ are the seats of the best manufactures produced in
 “ the country, must be abandoned, and all the commercial branch of their civil servants be thrown out
 “ of employ. Their purchases of goods at home, for
 “ the Indian market, must also cease, with the circulation of money which has enabled them to support
 “ their credit in England, and to provide for the payment of bills, which it has been long and necessarily
 “ the practice to draw on them from India ; a practice
 “ which, under such a change of circumstances, could
 “ not be continued : and, in general, the great aid
 “ which the political affairs of British India have, at
 “ all

“ all times, derived from the commercial credit and
 “ resources of the Company, with the reciprocally
 “ beneficial co-operation of the different parts of the
 “ Company’s system, must thus be destroyed. In
 “ like manner, the Company must cease to employ
 “ the numerous class of excellent ships they have en-
 “ gaged for the Indian trade, ships constructed for
 “ warlike defence as well as for commerce, and ren-
 “ dered expensive only, by being necessarily destined
 “ and fitted for the performance of political services.”

Of the ruinous effects of throwing open the Indian trade, the next which the Directors proceed to consider, are the abandonment of their factories, want of employment for their commercial servants, the impracticability of finding bills upon Great Britain, the disuse of their shipping, and the want of means of conveying naval and military stores. To all this representation, the answer appears perfectly simple and obvious. If the effect of the opening of the Indian trade will be permanently to diminish the commercial dealings between this country and the East—in that case, much of the evil here stated, may not improbably result from the adoption of that measure. That such will not be the effect of an open trade, we have already endeavoured to prove, and we trust not wholly without success. But supposing what for the purpose of the present argument, it is amply sufficient to suppose, that the trade with the East when conducted by individual merchants, will be only equal in amount to that which the Company carries on at present, will

not the subordinate Indian factories be as necessary for the conduct of that trade, as of the commercial dealings which are now transacted there? and will not the commercial servants of the Directors, in proportion to their skill and experience be fully occupied as consignees or as correspondents of the private traders of Great Britain? That those factories would, in the case supposed, cease to be the establishments of the East-India Company, and that those commercial servants would (*quoad* their commercial character) cease to be the servants of the Company, may perhaps be conceded, but as these factories and commercial servants constitute a part of that mercantile system of the Company, "to which they have ceased to look as an object of gain," and which is in truth rather a burden and a loss; in what manner can the Directors be injured by this mercantile disunion from a connexion which, so far as it is mercantile, is of no advantage to them, while all the rights of sovereignty over their servants, and of territorial property in their factories, are maintained inviolate.

The same reasoning will extend to the other supposed injurious consequences of an open trade, which are at present under our consideration. The private commerce, which is to occupy the markets, now supplied by the Company, is not very likely to be carried on without the intervention of Bills of Exchange, nor is it very easy to conceive how the annual amount of these
bills

bills should, (on the supposition upon which we are now proceeding) be less in the one system than in the other.

But on the destruction of their monopoly, it seems, the ships now chartered by the Company must be laid up, since being built for warlike *defence* as well as commerce, they would be unsuited to the purposes of private merchants, and the supplies of naval and military stores, which have usually been conveyed in them, must consequently cease to be exported. Why the means of “ warlike defence ” are not as necessary for the individual merchant as for the Company, yet remains to be told. Why a corporation possessing a capital of £22,567,953 and burdened with a debt exceeding that capital by more than 6 millions, should be better able to take up very expensive shipping than the merchants of these realms — whose capital engaged only in one branch of trade (the West Indian) exceeds the amount of the Company’s capital and debt put together — is still to be discovered, and why, these merchants, who we are informed will be unable to assort any cargoes for the Indian market, should refuse to give the Company freight for their warlike stores in their half empty vessels, on pretty reasonable terms, the Chairman and Deputy Chairman have left us to enquire.

It is however unnecessary to deny, that the disuse of a large proportion of the shipping at present engaged in

in the trade to India, would be among the very probable consequences of throwing open that trade to private speculation. But in truth we do not think that the case of the Directors will be much indebted to this argument. On the contrary, we are inclined to suspect, that it is a concession which they have somewhat unwisely and unwarily made. Visionary as our merchants may be, they have not yet learned to speculate so wildly as to charter ships of eight, ten, or twelve hundred tons burden, for a voyage which can be made with incomparably more cheapness, safety, and dispatch, by vessels of one half or one third of that tonnage. The Company, true to their principle of despising all "narrow considerations of commercial profit" have indeed neglected this as well as other calculations, which to men, to whom considerations of that kind are familiar, might have appeared important. That British Merchants should refuse to take up the shipping now chartered by the Company, can we suppose arise only from this—that the Company's 'ships are not well adapted for the trade in which they are engaged. For what reason then have they so long been employed? To that question, some have replied, by referring to the influence of the Shipping Interest in the Court of Directors, others by calling to mind the habitual carelessness and imprudence of Joint Stock Companies—the Chairman and Deputy Chairman by telling us that they "are destined and fitted for the performance

performace of political services " adopting the last as the most authoritative explanation of the practice in question, still it seems impossible to evade the conclusion that here at least the commercial interests of the Company have been sacrificed to their interests as sovereigns—that so far as this most material article of expence is concerned, their imperial is incompatible with their mercantile character, and that, if in no other yet certainly in this respect, the trade with India will be more cheaply and advantageously conducted by private merchants than by the East-India Company.

" But there is no reason to believe the evils would
 " end here. The monopoly of the China trade, which
 " it is proposed to continue, would not be safe.
 " British ships, when permitted to range at pleasure
 " through the Indian seas, however interdicted from
 " that trade, would attempt to participate in it, either
 " by resorting to it as the country ships do, under
 " color of carrying on the coasting trade, or by other
 " means obtaining teas, and the other productions of
 " China, at the most convenient Indian ports. Love
 " of gain, disappointments in other ways, the hope
 " of impunity, would stimulate their conductors to
 " break through restrictions imposed in this country.
 " British subjects, who now navigate the Indian Seas,
 " sail from some one of our established settlements
 " there, and are amenable to the laws of it: it would
 " not be so with men having no domicile in India. In
 " ranging the numerous islands and coasts of the
 " Eastern Seas, where they would be unknown, and
 " whence they could not be followed to England by
 " complaints,

“ complaints, the probability of impunity might tempt
 “ them to commit upon the weak natives, accustomed
 “ to repose confidence in Englishmen, acts of injustice
 “ and licentiousness, which would wound the national
 “ character, raise complaints throughout India, and
 “ set the people against us.”

There are but two other points in the letter of the Directors to which we shall solicit the attention of our readers. 1st. The apprehensions entertained that our private merchants, “ ranging the numerous islands and coasts of the Eastern Sea,” would be tempted to “ commit upon the weak natives, accustomed to repose confidence in Englishmen, acts of injustice and licentiousness, which would *wound the national character*, raise complaints throughout India, and set the people against us.” The same fears apply to China, with this difference only: that there we should set the Emperor against us. That men will be licentious where they can be so with impunity, we are not so ignorant of men as not to believe, nay, were we incredulous upon this point, perhaps a glance at the history of Modern India itself might suffice for our conviction. But that men will be habitually licentious where they have a strong immediate private interest in restraining their passions, we are not so wholly unacquainted with the power of self-interest as to think very probable. If the ruinous competition in the Indian Market of which the Directors speak is not a phantom of their
 own

own creation ; it is surely somewhat incredible that men with their hands full of unsaleable wares, should not rather assume the obsequious civility of the private tradesman, than the insolent licence which in the mere agent of a vast Joint Stock Company, would be natural and intelligible.

“ In China, where the effects of such a spirit would
 “ be most to be feared, we could exercise no authority,
 “ sufficient to controul men not within the reach of the
 “ Indian Governments, or to defeat their schemes and
 “ associations for eluding the laws. Practice would
 “ embolden them, and time increase their numbers.
 “ It is hardly conceivable they would not venture upon
 “ irregularities which would offend the Chinese Go-
 “ vernment, who, whilst the delinquents escaped to
 “ England with impunity, would doubtless take satis-
 “ faction of the national factory ; and the pride and
 “ jealousy of that government, alarmed by repeated
 “ instances of this nature, from the desultory visits of
 “ a new order of Englishmen, insubordinate to the
 “ representatives of the nation, might determine to
 “ dismiss the whole together.”

The inconveniences anticipated from the petulance of our traders in Borneo or Sumatra, would, we conjecture, however, produce very little alarm at Leadenhall Street, if the sensibility of the Directors were not excited for the preservation of the peace and good order of China also. We are aware that the apprehensions entertained by the Directors on this ground are not confined to themselves, but that many

men, who have no immediate personal interest in the continuance of the monopoly of the Company in the China trade, are disposed to acquiesce in the justice of these alarms, and such, indeed, appear to be the views of His Majesty's Ministers in their observations of the 2d March 1812. Upon this question, we wish to suggest a few considerations, which may tend to shew the fallacy of the representations which have been so assiduously circulated, in relation to this part of the subject: and, 1st. we must observe, that the agents of the Company at Canton are the mere factors of a great commercial establishment, and not the servants of the Sovereigns of India. No one, who knows any thing of the haughty spirit of the Court of Pekin, will, for a moment believe that the agents of the Company can derive any protection from the violence or insults of the Emperor of China, from their connection with a body of merchants, whose power that magnificent person considers probably with the most supreme indifference; and for whose occupation, except as it may supply him with some of the conveniences of life, he doubtless entertains the most unqualified contempt. So far, then, the individual merchant will, at least, be on an equality with the agent of the Company—that they will be equally destitute of any means of acquiring respect or toleration, except what they may derive from the good character for submissiveness and orderly behaviour

viour, which they may respectively establish. That this is a very difficult task to any description of men need not be denied; nay, we will even say, that, however we might feel as merchants, we should, as men, be sorry if it were otherwise than difficult. But, in considering which of the two classes of persons, who would be engaged in that occupation, would be most likely to conduct themselves with the deference and regularity which Chinese pride or policy might exact, it seems hardly questionable, but that the master supercargo and seamen of a Bristol or Liverpool trader, would far surpass in quietness and docility the commander and crew of a China ship in the employ of the Company: and if the comparison should be extended to the factors on shore, the result would be still more clearly in favour of the agent of the private merchant.

In the first place, it must be remarked, that the East-India Company are in possession of the market—and that the private trader could only hope to make a profitable voyage by supplanting, in some degree, so powerful a rival.—To this end, the arts of insinuation and address would be the most obvious and natural path.

2^dly. The inferior bulk and peaceful appearance of the ships of the private trader, would tend much to diminish any jealousy which the government of China might entertain of the objects of the individual

merchant. But that the same government should feel some apprehensions of the immense armaments of the East-India Company, is considering the paltry marine by which that great Empire is defended, no very extraordinary or unwarrantable instance of suspicion.

3d. It would hardly escape the penetration of that very jealous people, that much less was to be feared from any number of insulated individuals, than from a body of men whose identity of interest and connexion with one common head, would enable them to conduct any lawless enterprize which they might be supposed to meditate, with vigour, celerity, and effect.

4th. The complement of one of the Company's China ships is very much larger in proportion to its tonnage, than the crew which any private merchant would hire for the navigation of the vessels, which would be fitted out from Liverpool or Glasgow. There would consequently be little danger of any long or frequent absence of the common seamen, from the vessels of the latter. Attention to the ordinary business of the ship, and the task of taking in the cargo and necessary stores, would provide ample occupation for that number of hands, which the economy of private speculation would prescribe. Idleness and consequently licentiousness would of course prevail most in that service, in which the duty to be performed was least constant and laborious.

5th. From

5th. From the system adopted by the Company of bringing home the produce of their China trade in large fleets, which sail at stated intervals—their ships lie at Canton for a much longer period than would be necessary, to take in the cargo which could be sent to Europe in the single vessels of private-traders—how much in such a situation, delay must increase the temptation of committing those excesses, which are so much apprehended, it seems hardly necessary to mention.

6th. It is supposed, that the superior respectability of the captains and crews employed by the East-India Company and their larger establishments of petty officers, would insure a more prompt and ready obedience and greater severity of discipline in their vessels, than could be obtained in the ships of mere private adventurers. Without entering into a comparison which must be useless and might be offensive, it may be sufficient to say in reply to that suggestion, that if our merchant service contains any men of talent, resolution, integrity, and experience, who, are not numbered among the servants of the East-India Company, such are precisely the men whom any merchant would select for his masters and supercargo, in a voyage of such importance and difficulty as that in question. If such men are to be found (which it is to be presumed will not be disputed) and if when found, they would be selected for trust and command in a voyage to
China

China (which probably few will doubt), why are we to anticipate any defect of discipline in vessels so commanded. Obedience is the fruit of fear or affection or respect, nor is it easy to understand how the captain of a Company's ship, should be more able or more likely to excite these emotions, than such officers as we have already described.

7th. It is obvious that, in proportion as the trade carried on between this country and China increased, the importance of that intercourse would rise in the estimation of the government of the latter country. Prejudice and ignorance may do much, but their power has its limit. The Mandarins will at last believe, that a traffic which supplies them with any luxuries, amusements, or gratifications, of which, without that traffic, they would have been destitute, cannot be wholly unworthy even of their attention and support. If a free trade with China will have the effect of extending the commerce of China, which it is not very easy to question, may we not reasonably hope, that their deep rooted jealousy of foreign connexion will at length be overcome, by daily experience of the substantial comforts and advantages of which that connexion might be made productive.

To some, however, all these considerations may perhaps appear insufficient, to shew that the extension of the trade with China, to private merchants, would not excite all the jealousy on the part of the Chinese government

government of which the Directors are apprehensive. To allay the fears, the excessive fears, as they appear to us, of such persons, we would venture lastly to propose, as a practical method of obviating the supposed inconvenience, that all British subjects at Canton, and generally throughout the parts of China, should be placed under the control of a consul, to be appointed for that purpose by His Majesty; that he should be entrusted with very large and ample powers of laying under arrest; and even, if necessary, of punishing by fine or imprisonment, on board any British ships in the port of Canton, any person or persons who might be guilty of any species of excess, by which the Chinese government or any of its officers were likely to be molested; and that, to provide for the due execution of his orders, he should be entrusted with an authority (for that purpose only) over all the seamen and others belonging to any British vessel lying in that port; of such a measure the minor regulations and details would be for the consideration of Parliament.

“ If this extreme case be not supposed, which however is too probable and too momentous in its consequences to be hazarded, can it be doubted, that whilst the duties on tea continue at even the fourth part of what they are at present, private English ships adventuring to the Eastern Seas will not, by means of country vessels and intermediate ports, if by no other means, procure teas, and revive the practice of
“ smuggling

“ smuggling them into this kingdom? The conse-
 “ quence seems inevitable, and the ships of our own
 “ country, especially if allowed to chuse their port of
 “ discharge, as the proposed change seems to require,
 “ would have facilities, which those of foreign Europe
 “ or America could not command. How the immense
 “ revenue, now derived by Government from the very
 “ high duties on tea, could, under such circumstan-
 “ ces, be realized, or a substitute found for them, may
 “ be an important, and, to all appearance, a most
 “ difficult subject of enquiry.”

To the indiscriminate admission of private merchants
 into the trade with China, the Directors have however
 another objection, though like cautious advocates,
 they have very wisely postponed the mention of that
 argument, which they expected to *tell* most forcibly;
 to the conclusion of their enumeration of the evils
 impending over us, by the projected alterations in our
 Indian system, “ the immense revenue now received by
 “ government, from the very high duties on tea,”
 would it appears be with very great difficulty “ realiz-
 “ ed.” The grounds of this supposition are not very
 intelligibly stated. We collect, however, from the
 whole of the Letter of the Chairman and Deputy
 Chairman, that this supposed defalcation in the
 revenue, is expected to arise from a system of smug-
 gling, to which it is believed the opening of the trade
 with China will give peculiar facilities, and from the
 adventurers in that trade “ being allowed,” as the
 proposed

proposed change seems to require, "to choose their own port of discharge." Of the history of smuggling, the Writer of these pages is willing to confess, that he knows but little; and in the absence of any reasoning, to shew the probability of the extension of this practice, in consequence of the projected alterations in the system of our China and Indian trade, it certainly becomes difficult to disprove the assertion which has been made by the Directors. There appear notwithstanding to be one or two considerations, which might excuse some degree of incredulity, as to the justice and accuracy of this opinion. Of all men, Mr. Parry and Mr. Grant will be the last to deny, that whatever other effect the opening of the commerce of the East may produce, it will, at least, be the cause of a great competition in our own markets, and that in consequence of that competition, the prices of tea, as of every other article of import from those countries, will be "reduced still lower" than they are at present. Now, in what consists the temptation to smuggle teas from Canton to Liverpool, or (what for our present purpose amounts to the same thing) from Boston to Liverpool, upon the present system of Chinese monopoly? First, the article is brought into the market here, free from the expence of the *ad valorem* duties, which, in a lawful voyage, would be payable upon the sales at the East-India House in London. Secondly, the East-India Company, having in the fair market a

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monopoly

monopoly of the article, regulate both the quantities and the qualities of the teas they purchase in China, so as to keep up the price of that commodity in the markets of Great-Britain. The smuggler consequently not only sells his wares exempt from the duty, but he sells them in a market in which the value of the article is unnaturally and very considerably raised. Thirdly, the East-India Company may be supposed, like most other similar establishments, to make their purchases at a rate somewhat exceeding the fair value of the commodities they purchase. The smuggler has all the advantage of the circumspection and wariness of individual self-interest in making up his charges. He therefore brings his goods into a market, in which his only rival is one who has bought at a higher rate than himself. But now suppose the trade with China to be thrown open to private merchants. The smuggler, it is true, will still have the advantage over the fair trader of saving upon his sales the duties payable to government. But neither will he come into market artificially raised, nor will his competitors in the market be less active, cautious, or intelligent, than himself, in purchasing their commodities. So far then, it does not seem very intelligible, that a free trade should increase the gains of smugglers, or augment their numbers. But there is a remedy against this apprehended evil, exceedingly simple, efficacious, and obvious. A "ruinous competition" will of course

course increase the amount of sales and consequently the whole amount of the duties upon those sales. Some diminution, therefore, in the duties, might be made without any diminution in the revenue, or in other words, the temptation to smuggling may, at no expence to the public, be considerably diminished. Farther, by admitting the private trader into a participation in the Chinese trade, the legislature would at once raise in the fair merchants and their agents, a whole army of Custom-House Officers as vigilant, because as much interested in the detection of frauds, as the persons who are officially entrusted with the discharge of that duty; and, lastly, by removing from the port of London, a considerable proportion of the imports from the East, we should, in some degree, render useless all the wonderful and unequalled facilities, which, notwithstanding its expensive establishment of revenue officers, that port possesses for evading the execution of the laws. For these, among other, reasons we are very sceptical as to the injury, which it is supposed the customs will sustain, from the projected alteration in the system of British intercourse with the East.

Among other monopolies, it has been the object of the petitioners to Parliament, to destroy that which is now enjoyed by the port of London, in the exclusive possession of all the import of East-Indian commodities. That this proposal would excite great alarm and very

loud clamour, they by whom it was made of course expected—that this clamour should be made not only the substitute, but the single substitute for argument, has excited no astonishment; but it has been somewhat surprising to the merchants of the great outports of this kingdom, that *they* should have been called upon to disprove the policy of throwing the whole of this immense traffic into one of the cities of this empire, to the exclusion of all the outports of Great-Britain and Ireland. The least which can be expected of men who are soliciting so immense an exclusive privilege, is that they should be provided with a clear and producible defence of the justice of their demands. Hitherto they have found it either prudent or necessary to decline so hazardous an attempt. We may collect however from what has hitherto appeared upon this subject, that the great grounds of argument of the persons “interested in the port of London,” will, when they condescend to argue the question at all, be as follows:—

1st. It may be said that there is a large body of men now occupied in the City of London, in the service of the East-India Company, who would by the proposed alteration be thrown out of employ, and that much of the capital invested in their respective trades, by the wholesale tea-dealers and others connected with the Company, would be rendered unprofitable.

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The importance of these considerations no man will be disposed to dispute; but when their just weight shall have been allowed them, to what will it amount? The sum and substance of human wisdom, consists in compromising well between opposite difficulties—the completion of human folly, in refusing to avoid a greater evil, by submitting to a less. The shippers and warehousemen, and tea-dealers of the City of London, will scarcely attempt to prove that the national detriment which we shall sustain by their loss of employment, is greater than what will be incurred by refusing to nine hundred and ninety-nine of every thousand of the merchants and manufactures of this country, all commercial intercourse with one half of the habitable world. Their case may be an efficient make-weight in the balance of argument, but if brought forward as a single counterpoise to the considerations to which it is opposed, its influence is absolutely imperceptible. That much individual loss and disappointment would be sustained by these classes of men, it is needless to deny; but, perhaps, that loss has been somewhat overstated. Much of the labour and the capital now engaged in the East-India trade in the metropolis, would probably be transferred to the outports, and much might advantageously be diverted to other occupations. But above all it must not be forgotten, that the evil sustained by the citizens of London, would be the exact measure and the immediate cause of the benefit acquired

quired by the inhabitants of the provinces; and that to the community at large it is a matter of little or no moment, whether *Titius* in London, or *Sempronius* in Liverpool, is enriched by the East-Indian trade. The case of these persons is (as far as it is worthy of our attention) a case for compensation.

2dly. It may be urged in behalf of the Port of London, that the coasting trade is materially promoted by the import of East Indian goods being restricted to the Thames. We doubt much whether, in point of fact, this statement is correct. The inland navigation from London has, of late years, been so much improved, and the overland communication with every town and village in the country, has been rendered so cheap, easy, and expeditious, that, except for very bulky articles indeed (and such are not the goods enumerated by the Chairman and Deputy Chairman, as constituting the imports of India) it does not seem very likely, nor indeed is it to be believed that much tonnage is engaged in the coasting trade. But not to dispute the fact, let us consider what it is which we sacrifice to this object, when, for the promotion of it, we abandon the whole imports of the East to the port of London. First, all the risks incurred of loss by capture in the Channel (which, if the port of discharge were at Cork, or Liverpool, or Bristol, would be avoided) are necessarily sustained by ships which are compelled to discharge their cargoes in the Thames.

Thames. Secondly, the consumers of tea, or any article of import from the East, have, in addition to the price of the article itself, to pay a profit to the broker and wholesale dealer in London, which, if the sales were conducted at the outports, might be saved. Thirdly, all the costs of carriage inland or coastwise, and of double warehousing, are likewise a charge upon the commodity, which might be materially diminished by opening the outports to the reception of East Indian merchandize. Fourthly, the principle upon which this argument proceeds, would, if extended to its fair consequences, lead to very extraordinary results indeed. If it be expedient to ship teas in coasting vessels from the Thames to the Humber, rather than to permit a direct importation into the latter river, why not extend the same reasoning to the import of sugar? why not to that of hides, or hemp, or tallow? Why, to the great and manifest injury of the coasting trade, are chairs and tables suffered to be sold in the public streets which have not made a probationary voyage to Leith or to the Orkneys? Why all this—except that we have discovered that though the promotion of the coasting trade is a good thing, yet that it is not the first of all political objects—that it is of much less importance, for instance, than the cheapness of all articles of universal use and dispatch in their arrival at their destined markets.

Third,

Third, the last objection which we anticipate to the admission of the outports to a participation in the commerce of the East, is, that the present mode of collecting the *ad valorem* duties on teas and other articles by public sales, could not be conducted without great loss to the revenue, except in the sale room of the East-India Company. In answer to this assertion, we will venture to suggest three plans for that purpose, either of which we apprehend would, if adopted by Parliament, provide for the collection of these duties in Glasgow or Liverpool, as effectually as if they had been raised upon sales in Leadenhall Street.

1st. All the different kinds of tea might be classed numerically, according to the quality and value; the duty payable upon a given quantity of each class to be a settled and permanent sum—that sum to be assessed by the principal revenue officer at each port, upon all the different classes of tea which might be found in any particular cargo. This system has long been acted upon in America and with complete success.

2dly. The sales of tea might still take place as at present in the port of London, and general averages might be taken, by which the estimated value of the article as imported into the other ports of the empire should be regulated. Upon this principle the tax on sugar is at present raised, or

3dly. The

3dly. The public sales might take place at the different ports of discharge. Public warehouses might be provided for the reception of the goods, and the sales take place in the different ports of the kingdom at stated and convenient intervals, under the inspection of the same officer or officers to be appointed for that purpose. By these persons, returns to be authenticated as might be provided, would be made from time to time to the proper office in London, and upon his reports the *ad valorem* duties might be easily and unobjectionably raised.

“ But a more serious consequence than all these
 “ would still remain. A free trade to India would,
 “ unavoidably, draw after it the residence of numerous
 “ and continually increasing Europeans there, what-
 “ ever prohibitions might, at first, be opposed to their
 “ settling in the country. When all restraint to the
 “ importation of ships and goods is taken off, men
 “ must be allowed to follow their property, and to re-
 “ main at the place where they land it till they have
 “ disposed of it : they must be allowed to navigate the
 “ Indian Seas, and to return to the same place when
 “ their business calls them : they will thus, insensibly,
 “ and with hardly reasonable grounds for opposition,
 “ demilitate themselves ; nor would an unsuccessful
 “ trade prevent them, but many would seek to iden-
 “ tify themselves on shore for their losses by the voy-
 “ age. The instances of such settlements will be nu-
 “ merous, and it will be impossible for any police to
 “ follow up the cases of individuals, and continually
 “ to exercise a rigorous system of exclusion. This has

“ not hitherto been done, though attended with com-
 “ paratively little difficulty; and the attempt would
 “ soon, under the new order of things, be abandoned
 “ as hopeless. Colonization must, in such case, fol-
 “ low. Large communities of Europeans will struggle
 “ for popular rights: new feelings with respect to the
 “ mother country, new interests and attachments will
 “ then spring up; and in a region so remote, so rich
 “ and so populous, and so accustomed to yield to the
 “ ascendancy of the European character, the tendency
 “ and process of these things cannot be difficult to
 “ conceive.”

Having said thus much upon those parts of the letter
 of Mr. Parry and Mr. Grant, which appear to have a
 more immediate and pressing importance, we shall
 not detain our readers long with commenting upon
 the preceding passage. For himself, the writer of
 these pages must most explicitly disavow any intention
 of giving his very insignificant opinion in favor of the
 present independence of India. He is deeply impress-
 ed with the conviction that disaster and wretchedness
 would be the certain and immediate consequences of
 such a revolution; that a race of men in a state of
 society such as that in which the mass of the population
 of India is placed at present are morally incapable of
 acquiring or maintaining political liberty, or of justly
 appreciating its value were they able to acquire it.
 But at the same time he humbly conceives that neither
 in Hindostan, or in any other country upon earth, it
 is the wisest mode of preserving subordination, to
 keep

keep men in a state of ignorance and depression ;—to debar them from any communication with their superiors in education and in knowledge, and to diminish by every means which ingenuity can devise, the number of those sympathies and common interests which connect the governors and the governed. To ordinary apprehensions it appears not very intelligible, how the encrease of British settlers should be hostile to the permanency of the British Government in India. Rapidly as our empire in the East has grown, and widely as it has extended, however beneficent its influence, or noble its form, it will be laid prostrate with the first blast of the tempest, unless the roots and fibres by which it is upheld are deeply and tenaciously dispersed throughout the whole population of the Indian Peninsula.

But strange are the inconsistencies of terror. While the Chairman and Deputy Chairman feel their thrones tottering under them, in the prospect of their own countrymen settling in their dominions, they are throwing open their harbours, their cities, and their factories to foreign merchants and to foreign intrigue, “ to establish *foreign* influence, and to aggrandize “ *foreign* power in India.”* Granting, however, that they may have some pretext of danger to justify their timidity, must not ages elapse before any British power

* See Lord Wellesley's Letter, page 34.

in the Peninsula can become so formidable as to threaten the repose of its present sovereigns? And shall we throw from us the means of rendering this empire independent of the trade of America and Europe;—of acquiring wealth sufficient to baffle the force of the most formidable conqueror who ever menaced the happiness of the world;—of extending commerce and civilization, and opulence, over an immense portion of the habitable globe, because some two or three hundred years hence, India may shake off the authority of the Court of Directors! Human foresight is not strong enough to calculate the value or the probability of such remote contingencies. In matters of state policy, as in the details of private life, we must, in some degree, be content to live *extempore*.

There is one among the many objections which might be made to these very hasty remarks, which we are anxious not to leave unnoticed. We are, it may be said, contemplating as a desirable event, the introduction into India of a system of mechanical labour, which would form a dangerous competition to the manufactories established amongst ourselves. They who entertain this apprehension can certainly have but very slightly considered the essential distinction between our own staple commodities and those of the Peninsula, or the state of the machinery of this country, to the production of which all the science and accumulated experience of Europe has been made to contribute.

It must further be observed, that the cheapness of labour in India, will long prevent the establishment or use of expensive machinery in the manufactures of that country. As an illustration of the superiority which this circumstance must at all times give to our own merchants in a trade with any part of the world, in which the same means of facilitating labour are unknown we refer to the calculation subjoined to these pages, extracted from a letter published by Mr. Lee of Manchester, than whom no man has a more accurate practical acquaintance with subjects of this nature. (*See page 75*).

Having said thus much as to the letter of Mr. Parry and Mr. Grant, the writer of these sheets trusts he shall be excused, if he adds one word as to his motives in giving publicity to these observations ; that they are neither very original or very profound, he does not need to be told, but having written them to answer a temporary purpose, he has not aimed to give any new view of this most important subject, but to recall to men's recollection those acknowledged principles and obvious truths which it appeared to him to be the object of the letter of the Directors to discredit. No authorities have been quoted, because without incumbering a discussion which has already very greatly exceeded its intended limits, they could not have been introduced. In the approaching parliamentary enquiry into the subject of the East-Indian Charter, an opportunity will perhaps

perhaps be afforded of substantiating in a much more ample manner than would have been practicable here, the accuracy of the facts, and the justice of the reasoning, which are barely glanced at in these pages. The author feels that what he has written must depend for support on its own value, and can derive not a particle of weight from his name or authority ; he is therefore the less unwilling to say, as an apology for numberless defects of composition, that he has been compelled to write what he now submits to the judgment of the public, in a few hours snatched with difficulty in the course of one week, from pressing professional avocations.

Mr. LEE's Calculation of Labour in Britain and India.

The Quantity of Mule Spindles in Great Britain, appears, by actual survey to be—

4,200,000, producing a quantity of Cotton Yarn, at least equal to that which can be spun in the same time by *Four Millions Two Hundred Thousand Persons*, in India; the wages of each are supposed at 2d. per Day; but in Britain—

70,000 Persons would produce the same Effect, by Machinery, at 20d. per day; consequently—

1 Person in Britain will be equal to—

60 in India; but, in consequence of a more expensive apparatus, and various contingencies, I will state that—

1 Person is equal to 40 in India;

$40 \times 2d = 6s. 8d.$ which is the value of labour for Spinning in India, to correspond with that of *one person* in Britain, or as 6s. 8d. to 1s. 8d.

It is, therefore, evident that one Spinner by Machinery in Britain will produce yarn at one fourth the price that it costs for the same Quantity of Workmanship in India; supposing the Wages of the former to be 1s. 8d. and of the latter to be 2d. per day.

The following statement is a comparison of the cost of labour producing Yarns, in Britain, and India, for One Pound Weight, from No. 40 à 250, and likewise of the Value of the Labour and Material combined.

No.	Hanks spun per Day in each per Spindle	BRITISH.			INDIA.		
		Cotton.			Cotton.		
		s.	d.	s.	d.	s.	d.
40	2 . 00	1	6	1	0	2	6
60	1 . 75	2	0	1	6	3	6
80	1 . 50	2	2	2	2	4	4
100	1 . 40	2	4	2	10	5	2
120	1 . 25	2	6	3	0	6	0
150	1 . 00	2	10	6	6	9	4
200	0 . 75	3	4	16	8	20	0
250	0 . 50	4	0	31	0	36	0

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A LETTER
TO THE
CHAIRMAN
OF THE
COURT OF DIRECTORS,
CONTAINING
OBSERVATIONS ON THE REGULATIONS
THATLY SOON TO TAKE PLACE RELATIVE

LYDLEY J. IRVING,

ON THE
EXPEDITED RENEWAL

THE COMPANY'S CHARTER

NEWARK PRINTED BY S. AND W. RIDGEMAN;
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1812.

TO THE
CHAIRMAN
OF THE
COURT OF DIRECTORS.

SIR,

AT a time like the present, when so much of the public attention is taken up with the question of a renewal of the company's charter, I hope to be excused in troubling you, with a few observations relative to the Indian Army.

In the correspondence, lately published, between Lord Melville and the directors, His Lordship notices the expediency of the Indian army being transferred to the crown, in order
“to remove those jealousies and divisions
“which have unfortunately been too prevalent
“between the different branches of the
“military service,”

In reply thereto, the directors endeavoured to set forth the dangers that would arise out

of such a measure, and Mr. Jackson (in his speech) informs us, that “the cogent arguments of the directors had induced government to lay aside the intention of interfering with it, and that the Indian army was to remain on its present footing, subject only to certain regulations of minor importance, which would become a topic of future consideration.”

However forcible those arguments may have been, I must conceive that the regulations about to be made, cannot, in justice to the Indian army, be of that trifling nature which Mr. Jackson seems to imply.

On the contrary, whilst the interests and welfare of so large and respectable an army are at stake, the regulations required become of the utmost importance, not only so far as respects every individual composing it, but to the nation at large, in proportion as England values the safety of British India.

✓ The directors have very justly remarked, that, whilst the situation of commander in chief continues, as at present, ever to be vest-

ed in a general of his majesty's service, "it
 "is not difficult to see to which side the ex-
 "ercise of military patronage will lean; and
 "to prevent causes of complaint, and to keep
 "the balance even, must be an important
 "object of the government of India."

It is, notwithstanding, a melancholy truth, that this partiality has of late been rather promoted by the governors of India, than suppressed; and though it has long been justly a cause for serious complaint, yet it is still too often observable in the distribution of commands, of staff appointments, and of rewards and punishments. The appointment of king's officers to the command of sepoy light infantry battalions, is too recent an instance to be already forgotten; and was too glaring not to excite universal dissatisfaction. Government at last interposed its authority, and a stop was put to a measure as disgraceful as it was unjust.

•

I shall forbear to notice various other acts of a similar nature, under a full conviction that they are not overlooked by the directors, and that in the regulations about to be made, every possible means will be used to prevent

their occurrence in future ; and will proceed to remark on other circumstances of equal importance.

It is about nine years since colonels of the company's regiments were allowed to return to Europe, with their pay and emoluments arising from those regiments, which gives them an income of nearly fifteen hundred a year. This was at first considered as a very handsome and liberal reward for length of services in India ; but fatal experience has since proved it to be a measure fraught with consequences of a most serious nature : For, whilst the colonels have thus been enticed home, promotion is consequently very considerably retarded, and every command of any importance, does, by their absence, devolve to the senior officers of his majesty's army serving in India. So that the prospect of any company's officer ever commanding a brigade, division, or army, may be said to have been bartered for a pension to a few individuals, which not one in a hundred can live to enjoy.

In 1805, Lord Lake commanded an army composed of five of his majesty's regiments,

and sixteen of the company's. It might naturally have been expected, that the chief commands in such an army, would principally have devolved to the officers of the India service ; but on reference it will be found, that, whilst his Lordship commanded in chief, the two wings, with the command of the cavalry, and five brigades, fell into the hands of king's officers ; whereas only four brigades were held by those of the company : thereby proving that, at a time when the Indian troops were more than three to one of the king's, only four commands were held by the officers attached to the former ; whilst nine devolved to those of the latter service. And this inconsistency is only to be accounted for, by adverting to the unfair distribution of patronage, and to the measure above alluded to.

On looking at the present state of the company's army, you will find that this evil, which strikes at the vital interests of the India service, is almost daily gaining ground, in proportion as promotion is accelerated in his majesty's army, by the continued war in Europe, and that it is retarded in the company's, by peace in India.

The establishment of Bengal has now more than forty general officers, only four of which are on the staff; consequently, generally speaking, thirty six of them must be in Europe, as the commissions they hold prevent their remaining with the troops; and the very limited number required on the staff, seems to imply, that they cannot be permitted to remain in India, unless colonization is to be encouraged.

The last brevet promotion for major generals, took in the colonels of four years standing; and included every colonel but one of the Bengal army, and a lieutenant colonel of engineers was also brought in. The same gazette gave the brevet of colonel, to not less than one quarter of the lieutenant colonels of that establishment; who will, in their turn (probably in three years more) be made major generals. It is therefore very evident, that, unless some relief is afforded, the greater part of the lieutenant colonels composing the Indian army will, in the course of six years, be driven from their regiments, and from India, by receiving the brevet rank of major general; and which to many (with large families) will be the greatest injury, instead of reward.

Thus, whilst the regiments are dismembered, the army of India will be deprived of its most valuable officers, and the chief command will necessarily devolve to those belonging to his majesty ; in whose ignorance of the language, manners, and customs of India, as well as the contempt and prejudice they too often entertain against the native soldiers and their officers, we can only look for similar consequences to those, which resulted out of the shameful retreat from Rampoorah, the ill-fated siege of Commonah, and the worse conducted excursion into Rohilcund, after Ameer Khan ; whereby the reputation of the Indian army was sacrificed to their ignorance and obstinacy, beyond the power of redemption : for however differently operations may in future be conducted, the natives of India will not easily forget, that such things were.

Having endeavoured to point out to your notice the serious consequences likely to arise out of the very increasing list of retired officers, a want of promotion in the army of India, and the unfair distribution of military patronage, allow me to suggest such regula-

tions as appear calculated to remedy the evils complained of.

In the first place, it is observable that whenever a regimental lieutenant-colonel of his majesty's service, receives the brevet rank of major-general, he can no longer remain with his corps, but is considered as non-effective, and another lieutenant-colonel is immediately appointed ; which plan, I conceive, must be inevitably resorted to in the Indian army.

And with regard to officers being selected for commands in India, for which they are not qualified ; and in opposition to the superior claims of others, as well as to the interests of government, the following regulation would tend effectually to prevent it.

Let no officer, whether king's or company's, (with the exception of those on the staff) ever command, where the corps to which he belongs is not actually present, and to which he does not succeed by the seniority of his commission ; than which every unbiassed person must allow, nothing can be more equitable or just.

In 1804, a lieutenant-colonel in the company's service, was brought to trial and acquitted, for retreating before Ameer Khan ; and in the same year, one of his majesty's army made a far more shameful retreat from Holkar, but was continued in the command of a brigade ; and on returning to Europe shortly after, was made aid-de-camp to the king, with the rank of colonel in the British army, as a reward, I suppose, for his services.

Now to prevent a recurrence of so unwise and unfair a proceeding, it might be enacted, that every officer (let his rank or service be what it may) who shall fail in any attack that he may make, or cause to be made ; or in any expedition, or military operation entrusted to him, be invariably brought to trial, and in case of acquittal, his sword ought to be returned to him in open court, with an appropriate speech from the president, by which means his character would rather rise than suffer by the trial.

By such a regulation, the conduct and character of every officer employed, would be fairly known, and duly appreciated ; whilst

no idle reports could, with impunity (as is now too often the case) be circulated to the disadvantage of either party or service. At the same time, young and inexperienced officers would effectually be deterred from attacking fortified places, before adequate measures have been adapted to ensure success. A regulation similar to this, has existed in the royal navy for many years; to the wisdom and propriety of which, may justly be attributed in a great degree, the high and exalted character it maintains in every quarter of the globe.

The following instances which are selected from many others, will, I conceive, sufficiently point out the necessity which exists for a regulation, for the prompt and just distribution of all prize property.

In 1774, or during what is termed the first Rohilla campaign, prize property was taken by the army to a considerable amount, a part of which was not distributed for twenty-six years afterwards (in 1800.) What was the consequence? When Beedgeghur and various other places were taken; the troops employed,

did not trouble a government they could no longer trust, but shared their booty on the spot.

Chinsurah was taken in 1783, and the prize money was not paid for twenty-two years (in 1805) and even then, those that shared, ought to have thanked Admiral Hughes or his executors, who did, I have understood, prosecute the company for it.

A great part of the prize property is still due to the army which took Seringapatam, thirteen years ago ; as also to the army which served under Lord Lake, in 1803-4. Nor has any part of that taken at the battle of Deig, or by the capture of that fortress, in 1804, yet been issued to the army which so nobly earned it.

In the royal navy, if a frigate or ship of war is taken, the officers and men are as sure of their prize money, as they are of their personal pay. And may I ask what the Indian army has done, not to require a similar indulgence ?

If government ~~Jays~~ claim to a certain part, why not openly declare it? and let each individual know what share he is entitled to. I will make bold to say, that a regulation to this effect is not more required in justice to the army, than it is essential to the dearest interests of the government it serves. For if public honor, probity, and faith, are thus lost sight of, what will be the consequence? The distribution of all prize property (to the survivors on the spot) must ensue; whilst plundering and all its attendant evils, are thereby encouraged, and the government which grasps at all, will lose that share it would otherwise have possessed.

✓ I know not any thing that calls more for the directors' attention, than the very extravagant sums now required by captains of India-men for the accommodation of passengers from and to India. It is a notorious fact, that (notwithstanding the orders already in force) this is chiefly what they look to when coming home. No cabin, however small, is to be procured for less than three hundred pounds; whilst some are a thousand and upwards.

And a captain of a regular ship will very often have passengers to the amount of ten thousand pounds, homeward bound.

It would not require much trouble to prove, that this extortion is often the real cause of officers finding a grave in India, who would have been saved to their country and friends, if they could have procured any thing like a comfortable passage and proper treatment for the very handsome sum allowed by government, namely one hundred and twenty-five pounds.

At the same time, it is a means of preventing many from coming to Europe on furlough, which I hold to be for the good of the company to encourage, as much as possible. For whilst a short residence in their native clime, renovates the constitution, it also gives them a correct idea of the value of money, by drawing a comparison between their income and expenses in Europe, to what they had in India; at the same time that they renew their acquaintance with some, and form other friends and connexions, that returns them to India more prudent and satisfied, and they continue

bound and attached to their native country.

On the other hand, if they continue in India, after being twenty or thirty years absent, most, (if not all) of their friends are either dead or forgotten ; and they, magnifying the expense of living in Europe, begin to fancy themselves more at home where they are : And by degrees, though slowly and almost imperceptibly, they lose that ardent love for the mother country, which is the characteristic virtue of every Briton. And to this circumstance, I fancy may be traced, some of those events which must be still fresh in your recollection ; and if you take the trouble to enquire, I think it will be found, that those who had been on furlough, were not so much concerned, as those who had not.

There is also another circumstance which operates to prevent many officers from returning to Europe on furlough, and that is the very small pay which is then allowed them. Since it was fixed in 1796, the king's officers have had their pay increased three different times, so that now the captains of the latter service, receive in England near two hundred

and thirty pounds a year, with the advantages arising from their mess ; whereas one of the Indian army on furlough for health or pleasure, only gets about one hundred and sixty pounds, without any such advantage, (and each rank in proportion is nearly the same,) whilst the captain-lieutenants and subalterns have only about eighty pounds a year.

And here I cannot omit remarking upon two circumstances, which, I conceive, only require to be pointed out to the liberality of the court of directors, in order to their being rectified. The first is, that of captain-lieutenants being still continued ; and the second, that no increased pay is allowed to subalterns, for any length of service.

In his majesty's service, the rank of captain-lieutenant, and the practice of allowing field officers to retain the charge of companies they never could command, have both been long abolished ; as also, in the company's army serving on the island of St. Helena, as well as in their Bengal Engineers. And

there cannot, surely, be any good reason why they should still be continued, in either cavalry or infantry.

The king has also, some years back, made a very liberal addition to the pay of subalterns, who have served eight years in the regular army: and yet we see no such indulgence extended to the company's officers, who have served eight, nine, ten, eleven, and twelve years as subalterns. And this omission is the more singular, as it could have been granted with very trifling additional expense. For, how easy would it be, to take the sum required for additional pay out of the gratuity, whilst such subalterns were in India; and if by ill health, or other circumstances, they were obliged to return to Europe, then, and only then, (when most required) would they reap this due reward for length of service. At a time, when the thoughts of the governors of India are occupied night and day, in curtailing the expenses of the army, surely just causes of complaint, like these, ought not to exist.

You are, I suppose, aware that the compa-

ny's native regiments have only half the number of European officers, to what are attached to corps of equal strength in privates, of his majesty's army. And although, as Lord Cornwallis observed, it might be "ruinous in the extreme" to double the present establishment of officers; yet, that certainly should by no means prevent the company from doing every thing in their power, to remedy this defect.

And, in order to shew the necessity of this, I must observe to you, that whilst his majesty's battalions have a complement of fifty officers, those of the company (which it might be supposed ought to have most) have only twenty-two: and we may venture to say that, in general, so many are on furlough in Europe, on the retired list, on the staff, or wanting to complete, that the average number actually present with each corps, does not exceed seventeen; that is, little more than one quarter of what the king's regiments have.

Whilst this deficiency of European officers is too observable on many occasions, I cannot but think (from some observation and expe-

rience) that a great reduction might be made in the number of native commissioned officers. Before the regulations of 1796 took effect, the complement of native officers to a battalion was forty ; they were then reduced to twenty ; and I think they might very well be allowed to drop off to fifteen ; when the establishment could be fixed at five soobadars and ten jemmidars. And I am fully of opinion, that the service would rather be benefited by such a measure, than otherwise ; as there would still be a sufficient reward of promotion held out to the jemmidars, at the same time, by the number of the former being reduced, the battalions would be relieved from a burthen too often felt, from the indifference and laziness of the soobadars ; arising out of their having attained the highest rank, and having no longer any thing to look up to ; which induces them to grow careless, and “perform what little duty they have, in a manner which almost seems to say, I have no longer any promotion to expect, I am weary of exertion, and care not how matters go on.

“The saving by such a reduction would be fully adequate to the additional expense at-

tending the appointment of a third lieutenant-colonel to each regiment ; as it must be recollected that, from the want of officers of that rank being present with their battalions, majors, captains, and in some instances lieutenants are intrusted with the command of them, and are receiving the batta of the rank superior to what they hold ; which would consequently be saved, by a lieutenant-colonel being present. And at this moment, we may fairly say that not more than one half of the battalions in Bengal are commanded by lieutenant-colonels ; which melancholly fact, sufficiently proves what I have already endeavoured to press upon your attention, namely, that the time is fast approaching, when there will not be one left in India belonging to the company's service.

✓ I shall next advert to the inefficient state of the company's European corps. The late Lord Melville, in 1798, in a letter addressed to the chairman of the court of directors, gave it as his opinion, " that our possessions in India would be more secure, and the company's army more efficient, if their European force was confined to the artillery, and the

“ remainder of the British troops to be composed of his majesty’s regiments.” At that time the company had three regiments of Europeans in Bengal, and now only the skeleton of one remains.

The company’s Bengal European regiment has not for the last four years, consisted of more than four hundred privates; and whilst the sergents required for the native corps, and the climate, daily decreases the number, the continued war in Europe makes recruiting for the company’s service so very difficult, as to render it extremely improbable that this corps will ever again be complete.

It must therefore be a very unnecessary expense, the keeping up a sufficient number of commissioned and non-commissioned officers for twelve hundred men, when there does not appear the most distant chance of that regiment ever again amounting to more than one third of that number.

The Bengal artillery is also near twelve hundred short of its complement; consequently, the same extra expense would have arisen out

of so large a disproportion of officers, had not the government of India resorted to an expedient, formerly considered as impolitic, namely, the raising of native artillery.

Latterly, so few non-commissioned officers of the European regiment, have been found worthy of being made serjeants in the native corps, that it has in several instances been requisite to apply to his majesty's regiments. And it would be considerably better, if this was allowed to become general; inasmuch as it must be evident that the sepoy corps would stand a greater chance of obtaining good men, when they had the selection of five thousand, instead of the refuse of four hundred. For it must be understood, that this has of late years been so great and constant a drain upon that one regiment, that the commanding officer of it, will not now, (as formerly) send his best men. Whereas, if the king's corps in India, were allowed to furnish these serjeants, it would be so easy on each regiment, that the officers commanding them, would rejoice at having so good an opportunity of rewarding merit.

The provincial battalions, I must now beg to hold up to your view. There were originally fourteen of them in Bengal, but a very little experience and the late war, soon pointed out the inutility of these district soldiers ; and I think it is now scarcely possible to find a person who will venture to say, they are of any further use, than to increase the governor's list of patronage, and to furnish sentries over the private property of civilians.

In case a refractory zemindar refuses to pay his rents, it is not the provincials that can or will compel him ; but the troops of the line are directly called for. They are not to be detached, or depended on, consequently of no use in peace or war.

When these corps were first brought into notice, it was truly laughable and ridiculous, to see how soon the want of them was found out by every magistrate in the country, under whose control they are placed. They at once gave security to their outhouses, horses, and cattle of every description. They swelled their train, and, in their weak minds, added dignity and consequence to their noble persons.

Indeed, if report can be relied upon, these militia-men are alike employed as guardians of both public and private treasure. Lately they have not been too careful of the former trust; and it is also said, they too often betray the latter. And whilst some make off with plate, others have been detected in the fond embraces of those black damsels they were meant to guard.

I shall conclude my remarks on the inutility of such corps, by declaring it as the universal received opinion of all ranks and descriptions of people who have ever been in India, that a native corps, without a sufficient number of European officers, is worse than none. And, as Lord Cornwallis said of them when last he went out, "I would rather fight, than pay them."

We next come to the Ramghur battalion, and Bhanglepore Hill Rangers; these are also provincial corps. The former has of late years been considerably augmented and employed; and from the number of European officers attached to it, has on some occasions,

been engaged with credit to itself, and advantage to government.

But not so with the latter corps, which is about three hundred strong, and has only one European officer. It was originally formed to protect the district of Bhauglepore, from the depredations of a banditti, which in those days came down from the hills, and plundered the defenceless traveller, and the neighbouring country.

It was a wise and successful stroke of policy, in endeavouring to tame and overcome the lawless inhabitants of that mountainous country, by raising a corps which at once afforded them employ, and gave security to the traveller and the inhabitants. Those that entered it were acquainted with the haunts of others; and whilst they obtained an honest livelihood in our service, their families received and cultivated land. Thus was a band of robbers at once subdued, which perhaps no open force could ever have conquered; and a nest of savages were civilized and rendered useful subjects.

The cause and motive of this corps having been formed, has certainly ceased to exist for many years ; and though I would not by any means wish to be understood as recommending its being immediately abolished, yet I think every encouragement ought to be held out to induce the men to volunteer into the line, and thus gradually do away what is no longer required.

Having thus enumerated the different provincial battalions in Bengal, I shall conclude with remarking to you, that they are generally composed of very old and short men, of cast inferior to those taken into the army of the line ; and being always stationary in one province, they are more taken up with trading, than a due attention to their discipline and duty.

And if any serious disturbance arises in the district to which they belong, or any fortified place is to be taken, the odds are very great, but vast numbers of them have near relations and friends, with the party they are to oppose : and under such ties and circumstances, can it for a moment be supposed, that these

men will act with that energy required ? It is folly to imagine it ; and I will not pay your understanding so bad a compliment, as to dwell on a subject where there can be but one opinion.

After having stated to you my sentiments on the present inefficient state of the company's European corps, as they now stand, as well as on the inutility of all district or provincial soldiers, I shall take the liberty of proposing something like a remedy. And that will I think be found in the following arrangement.

Let the Bengal European regiment be reduced, the men transferred to the artillery ; and the officers directed to form and raise a regiment, consisting of two battalions of native infantry. And then by raising two more regiments of native infantry, the six provincial battalions, as well as the hill rangers and Ramghur battalion, might all be reduced.

By this means, the artillery would receive a very essential reinforcement ; whilst the army of India would be considerably aug-

mented and improved ; a set of useless and expensive provincial battalions done away with ; and all this would rather be a saving, than an additional expense.

Your attention is particularly required by the present state of the Bengal cavalry, horse artillery, and light infantry ; all three of which are still capable of very great improvement.

I do not suppose it possible for any corps to have improved more in character, discipline, and efficiency, than the Bengal cavalry has within the last ten years : but yet, much is required to bring that corps to the state of perfection already attained by the native infantry.

In the first place, I am decidedly of opinion that the Bengal cavalry has been very much injured, by two pieces of horse artillery, or gallopers, being attached to each regiment. When they were first introduced, that meritorious officer, major-general Vandeleur, objected to the eighth dragoons receiving them ; and that most distinguished regiment never yet

had any. And I will venture to say, that the general's opinion has been completely justified by experience. For it is now evident beyond a doubt, that the native cavalry have been taught to place almost their whole dependance on these guns: and although a regiment might be found to charge a superior body of the enemy without them; I am certain that, at present, no troop or squadron will do so. On the contrary, it is too observable on all occasions, that a detachment of native cavalry without their guns, feel their own weakness, and become of little or no use.

It therefore becomes extremely adviseable, indeed it is a matter of the first importance, that these guns should be immediately taken from the cavalry, and made over to the horse artillery. The peace which now reigns throughout India, offers the finest possible opportunity of weaning the native cavalry from what has done them incalculable mischief.

Besides the general received opinion which is entertained by every officer who has written on the subject, that horse artillery ought

to be as seldom tied to cavalry as can possibly be helped, it must also be observed, that these guns would do ten times the execution when formed into brigades, under the experienced officers attached to the horse artillery, to what they now do ; whilst they remain with regiments, under charge of perhaps the youngest subaltern. And I do not see what additional expense could possibly arise out of such a transfer ; whilst the horse artillery would be considerably augmented, at the same time, that the native cavalry must unquestionably be improved by it.

As I before observed, much is still wanting to render the Bengal native cavalry any thing like so formidable in the face of an enemy, as what the native infantry are. There does not appear to be that degree of consequence and respect kept up by the European officers in the former, as in the latter corps ; and this is not to be attributed so much to a relaxation of discipline, as to a want of method, with less familiarity as well as condescension.

In recruiting, two very great errors are committed ; it seems to be the first and princi-

pal object to get a smart looking man, no matter how short, or of what cast ; indeed the preference would appear to be given to short men and mahometans.

Now that a short man should make the best dragoon, I cannot allow ; and that a very tall one would be too much for their horses, is equally absurd ; for not only do we see perfect grenadiers in the enemy's cavalry, but also in the Royal Irish, or eighth dragoons, which is by far the first regiment of cavalry, (in every respect) at present in India.

The Seik and Maharatta horse, are almost entirely Hindoos ; and, generally speaking, very tall stout men ; and there is not a doubt but they are the best native cavalry in India. Why therefore our ranks should be filled with mahometans and short men, I am at a loss to say.

In the native infantry, the average number will generally be found ten Hindoos to one mahometan ; and, as before remarked, in the cavalry, exactly the contrary. It is, I think, generally observable, that the Hindoo is by

far the most brave, the cleanest, and quietest of the two. The mahometan spends his pay chiefly in dress, women, and debauchery, whilst the Hindoo saves and remits it to his family.

In disturbances of any kind that may arise in camp or cantonments, it will generally be the mahometan soldier who begins, and is the most active; whilst he for the moment can call up a kind of frantic resolution, which is soon turned into despair, in case of failure. The Hindoo will ever be found on all occasions, to possess the same cool and collected courage which enables him alike to expect success, or to bear any reverse of fortune that may arise. In short there is not room for a comparison between them, the one is so far superior to the other.

And I hold it to be a very poor excuse, which the cavalry officers make for entertaining so few Hindoos; namely, that many of high cast will not clean their own horses. Who clean the horses of the Seik and Maharatta cavalry? Are they not Hindoos of the very highest cast? And such as the noted George Thomas de-

clared to Lord Lake, "he doubted not, would charge the British infantry." I do therefore most sincerely hope to see the day, when the native cavalry will recruit on the same principle which the infantry do.

I shall next notice the swords of all the cavalry throughout India, being of little or no use. They are so very light, as to render it impossible to make any impression with them on a man clothed as the enemy will generally be found, in quilted cotton jackets, and some times in light chain armour ; and if the trooper attempts to give point, the sword meeting with any resistance bends double. Thus, in almost every engagement, they are obliged to scabbard their sabres and resort to the pistol, when they cease to be any thing like formidable, or destructive.

There ought to be at least twice the weight of metal in their sabres, to what they have at present ; and if any serious objection prevents the steel scabbard being laid aside, some effectual remedy ought to be adopted, to prevent its taking off the sabre's edge, as is at present the case.

The Bengal horse artillery has lately been considerably augmented and improved. This corps is so essentially requisite in India, that too much attention and encouragement cannot be given to it. And if the galloper guns, at present attached to the cavalry, are made over to it, from the tried abilities and zeal of all our artillery officers, we may confidently look forward to their covering themselves with glory, on the very first occasion that may bring them before the enemy.

✓ It is a matter of astonishment to every officer who has served in India, how we could so long have retained our possessions in that country, without any light infantry; it is a corps of all others, the most eminently calculated for the kind of warfare we are obliged to adopt, against the innumerable armies that encounter us in time of war.

Whether we consider it in regard to the general face of country likely to become the scene of military operations, or to the nature and character of the sepoys, we shall find it equally useful and proper. If the country is covered with wood, or the ground broken and

intersected with ravines, which prevent the cavalry acting, there the light infantry will act to the greatest advantage.

It must often be requisite for a brigade, or small detachment of infantry, to be employed in conducting provisions, military stores, heavy cannon, and supplies of all descriptions for the army, when but few if any cavalry can be spared ; and on these occasions thousands of the enemy's horse will harass and surround them. Here again the light infantry will be eminently useful ; the more especially as they will be able to act in more extended order before such an undisciplined enemy, to what the like corps are capable of doing in the face of an European foe. And, as it must be supposed that they are all excellent marksmen, by killing the horses of the Maharattas or Seiks, they will strike a terror into the enemy, which will effectually deter him from approaching within shot ; as it is well known the horses are the private property of the troopers, who are ruined, if they are killed : and this circumstance, in my opinion, sufficiently authorizes the very trifling expense which would attend the issuing out of rifles to

this description of troops ; for it cannot be doubted but they would make a most effectual use of them.

Every day that passes tends to the improvement of the Bengal light infantry, which is yet only in its infancy. But the principal object to be attended to is, that each company be exactly and precisely exercised in the same manner. For, if this be not very strictly observed, each company will have a peculiar way of its own ; and when an army is formed, and the light troops required to act in battalion, a very considerable time will be lost in getting them to act in concert with each other.

This is so very requisite, that for some years to come, the light companies ought annually to be assembled at the head quarters of the division to which they are attached, in order to exercise in battalion, for at least three months in the year.

In the course of last war, the Bengal engineer officers, however well versed in theory, were found extremely deficient in practice.

Indeed otherwise could not well have been expected ; for they had for years been allowed to remain at the same station, without any other employment than to superintend public buildings : so much so, that they became nothing more than a corps of architects ; they might be civil, but certainly were not military, engineers.

Far be it from me to detract from the zeal or abilities of this corps of officers ; but experience, very dearly bought, has proved, that they require practice as well as theory. This truth has been so forcibly impressed on the mind of every person in India, that some alterations for the better have of late been adopted.

But each general officer ought to have at least three engineer officers attached to his division. And no army or detachment of any consequence should ever be without an officer of that department. This corps would then soon attain as high a pitch of eminence, as it is now at the lowest possible.

The corps of pioneers and miners have

lately been organized and officered afresh, and, whilst they have been considerably augmented, are doubtless much improved; but I cannot help deprecating the plan of appointing officers from the line to do duty with these corps. For, whilst the regiments of infantry are thereby dismembered, it must be evident that these corps will never attain that degree of excellence under officers so appointed, to what they would under those permanently attached to them.

Indeed I do not think a better plan could be adopted, than to double the number of lieutenants now in the engineers; and then officer the pioneers and miners from that department.

✓ I am at a loss to understand whether or not the military institution at Barraset still exists; but if it does, I shall declare to you, that it never has, or can answer one single end proposed; on the contrary, it has done essential injury to the army: two or three hundred cadets have gotten together there, and encouraged each other on to scenes of outrage, that I need not mention; but which

have at times been allowed with a degree of impunity, that has led them to join their regiments with sentiments derogatory to every principle of order and discipline ; whilst they are seldom improved either in regard to a knowledge of the native languages, or to military exercise.

The abolition of this institution, has, I well know, been most strongly recommended by the highest civil, as well as military, authorities in India ; and I do not conceive the directors can possibly do better than attend to them.

The Barraset institution, cannot, I should suppose, cost less than twelve thousand a year, for half which sum, every cadet that went out to India, might, at the company's expense, receive a military education, either at Woolwich, Marlow, or any other public military institution, before leaving England. And this would do more good to the Indian army, than fifty thousand such places as Barraset.

All that is required on this head, appears to be, that a very respectable officer be ap-

pointed to reside at Barraset, there to receive and mess the cadets on their first landing in India ; and after providing them with such things as are requisite, or rather instructing them how to procure them, he could send them off to join their respective regiments without delay. Thus would they at once be comfortably received and provided for on their first arrival ; and by that means, be kept out of taverns, out of the hands of those villains that are always ready to pray upon the inexperienced stranger ; and in many instances, out of mischief and a jail.

I am almost lost in admiration, when I reflect on the degree of perfection the Indian army has already attained ; but yet to what a much higher state it is possible to be carried ! The religion which the native soldier professes, eminently calculates him to meet every difficulty and danger with the utmost coolness and resolution. For, being predestinarians, they conceive that every man's doom is fixed ; and that if he is to die, it matters not whether he is in his bed, or in the mouth of a cannon, —so it is ordained, and must be so.

Their partiality to a military life, their attachment to their officers, their sobriety, their patience under fatigue, and their determined courage, are alike conspicuous, and render them fit for any enterprize whatsoever.

Whether they are capable of making or withstanding the charge with the bayonet, against the European soldiers of the present day, does perhaps remain to be proved : but we have every reason to think they will. For it must be recollected that in the first attack upon the island of Bourbon, a detachment of Bombay Sepoys were unexpectedly brought on the enemy's main force, supported by several pieces of artillery posted behind a wall, which they instantly attacked and carried ; though supported by French soldiers, who had in earlier days composed a part of Moreau's army, with which he made his ever memorable retreat.

But, however some may differ in opinion on this head, there can be only one, in regard to the steady manner in which the sepoy soldier will stand under the heaviest and most destructive fire of cannon, grape, or musquet-

ry. Indeed, in this respect, they are unquestionably equal to any troops in the world.

✓ The general discipline of our native army is great ; but still nothing like what it might be. I would wish that every general officer should visit each corps and post within the limits of his command, once a year ; and on reviewing the troops, it ought not to be left to the officer commanding to go through such manœuvres, as from dint of long practice, the corps may have acquired by rote. But on the parade, a card should be presented by the reviewing officer, with a memorandum of what he wishes to be performed.

Each battalion ought to be inspected whilst exercising by companies, under their respective commanders ; and the practice of exercising the troops in line and brigade ought to be more generally attended to ; on all which occasions, a very old and equally improper method of marking the new alignment by flags or camp colour men, ought to be exploded and the horses heads of mounted staff substituted in their room. In short, no practice or custom whatsoever, (let it have ever so fine a

parade effect) ought to prevail in the exercising of troops, which cannot be done in the face of an enemy ; who must ever be considered as present, and ready to take advantage of any error committed whilst the troops are at exercise,

When an officer attains the rank of lieutenant-colonel in the Indian army, he will most probably have been upwards of thirty years in the regiment ; and has consequently been on the most intimate footing with all the captains, and most of the subalterns. If, therefore, he is posted on promotion to lieutenant-colonel to the same corps, (which is generally asked, and too often granted) when commanding or exercising it, let him observe ever so great a mistake or error committed by those officers with whom he has served so many years, and is as much attached to, as his nearest relations, he finds it extremely difficult and hurtful to his feelings ; and indeed to some, it is impossible to bring themselves to reprimand, or speak harshly to them. The result is obvious, error after error is committed with impunity by them, whilst the younger officers are perhaps the more severely censured, and

thereby taught to observe, (what ought never to exist) a degree of partiality incompatible with discipline and good order,

I do therefore conceive, that the simple regulation of every major on promotion to a lieutenant-colonelcy, being always removed to another regiment, would operate on the discipline of the Indian army, beyond the most sanguine expectation.

The great deficiency of ammunition, and military stores, added to a want of battering cannon and mortars, may justly be considered as the principal cause why Bhirtpore was not taken, although stormed four times. The officers commanding in the batteries there, were limited to firing a certain number of times during the night, I think once every half hour; it was not therefore very astonishing to find at day break, that the preceding day's labour was all to come over again, by the enemy having repaired the breach during the night,

In Europe, no breaching battery is ever opened until the enfilading ones have destroyed every defence to the right and left of the

part intended to be attacked; and in general, a bastion is preferred. But at Bhirtpore, for want of cannon and shot, no such precautionary measures could be adopted; and, as if it were to make this deficiency more severely felt, the engineer resolved on breaching a curtain, flanked and supported by two bastions, each containing six pieces of cannon; not one of which were dismounted by our artillery; but left to throw a cross fire on the advancing troops, and to kill or wound every man that set his foot in the ditch.

The very great loss sustained during that siege, as well as the unexpected check given there, to that carrier of victory which had attended Lord Lake in every previous military operation, led the government of India to enquire into the cause; and it was found, that, by an ill-advised plan of mistaken economy, they had left their magazines, in want of those military stores required for sieges; and that a sufficient quantity not being nearer than Calcutta, the undertaking was commenced, without any adequate means of insuring success by a regular siege; and engineers, versed only in the theory of their duty, completed the list of evils which attended that ill-

lated siege, and carried to an untimely grave, many a brave and gallant soldier.

And although the experience on that occasion so dearly bought, has induced the government of Bengal to fill their magazines with those stores; yet in doing so, they do not appear either to have adverted to the extended territory gained by the late war, or to the probable scene of future operations. For whilst they have continued magazines which are no longer requisite; they have also established others on a scale too confined for the armies they would in case of war have to supply.

I shall therefore take upon myself to recommend that the magazines at Midnapore, Borhampore, Chunar, Futtyghur, and Delhi, be abolished. And as the rivers Ganges, Junnah, and Sutledge, must be considered as the lines of defence, the commissaries attached to those magazines, ought to be instructed to establish themselves at Cuttack, Culpee, Anoopshore, Karnaul, and Loodenah. And the fortifications at those places, ought to be kept in good repair, as by that means the magazines would be rendered secure even

with small garrisons; although the neighbouring country should be overrun with predatory horse, during the absence of our armies employed in distant operations. And of the necessity of such a precaution, we ought to be well convinced; for in 1804, nothing but Ameer Khan's not knowing the ford over the Junnah at Culpee, saved the Cawnpore Magazine. And yet it has not since been considerably strengthened, as it surely should have been.

I had nearly forgot to draw your attention to a circumstance, on which of late there appears to have been two opinions entertained in Bengal; although, whether considered in point of equity and justice, or in regard to the orders regulating promotion, it most certainly admits only of one. And that is, whether brevet majors are, or are not, entitled to promotion in the line, according to the date of such commissions? Surely they are, or why do they receive that rank? Is it not given them to prevent supersession, and as a reward for length of services? the Madras government never entertained a doubt on the subject; nor would the government of Bengal, were there not officers holding the highest

staff situations, whose interest it is to raise that doubt, and if possible, to turn it to their own advantage. I do therefore consider it of sufficient importance, to warrant my endeavouring to explain the matter more at large, and to set the question before you in its proper light, in order, if requisite, that the court of directors may interpose their timely authority, to prevent any undue influence arising out of such erroneous opinions and partial advice.

I must first observe, that in the company's army, officers enter into line promotion at the rank of major, and not at that of lieutenant-colonel, as in his majesty's service; consequently, if a vacancy takes place for a lieutenant-colonel in the Indian army, it is always customary to see in orders for promotion, "senior major of infantry, A. B. to be lieutenant-colonel, vice C. D. resigned."

But now the absurd argument held out by those interested, is, that the majors can only be promoted to lieutenant-colonels according to their regimental rank, by which means, the brevet commissions become of no use; and the most lamentable supersession will be

encouraged, instead of checked. As for instance, major Kitchen whose regimental commission is december 1809, would be a lieutenant colonel before major Bradshaw, whose brevet commission is april 1808. And major Paton would in the same manner, step over near thirty brevet majors all senior to him.

I cannot for a moment suppose that the company will allow of so unfair a proceeding; otherwise, I might observe that the orders for promotion can no longer remain as at present, "senior major of infantry;" because the person thus unjustly promoted by regimental rank, would not be senior major. And if the absurdity of thus doing away every use and intention of the brevet commissions, is not a sufficient argument in favour of this opinion, let us examine into the certain result of such a measure, and it will be found that major Kitchen, who entered the army in 1795, would, by such a proceeding, attain the rank of lieutenant colonel, before major Bradshaw, who entered the same service fourteen years before him, in 1781; and the same with major Houston, a cadet of 1794, and major Fitzgerald, one of 1782, and various other instances too numerous to mention. Besides, such a mea-

sure would not only be at variance with the interests of all brevet majors, but equally operate to the disadvantage of every rank below them in the army; for, in whatever regiment we find a brevet major, there promotion will be found the slowest. As for instance, in the eighth regiment, the senior captain is a cadet of 1794, and the first lieutenant of 1798; whilst the senior officers of those ranks in the fifteenth regiment, are cadets of 1797 and 1800.

But I will no longer trespass on your time, with a subject that cannot admit of a doubt, further than to observe, that the government of Madras has already acted on what is certainly the only mode that ought to be adopted, namely, the senior major in the army is first promoted, whether his commission be by brevet or otherwise; and this I trust is the mode which the company will direct may be observed, throughout India, without favour or affection to any person.

In the course of this letter I have endeavoured to avoid, as far as possible, such observations as might (though unintentionally) give offence to any party or service; and have been

anxious only to point out to your notice, such defects as have mostly come under my own personal observation, during a long residence in India. And the alterations I have taken the liberty to suggest, are deduced from a full conviction of their absolute necessity, and a sincere hope that they will neither be at variance with the duty of the company, or incompatible with their interests, and that regard to a just economy, which must ever be regulated according to the importance of the object, and with a due attention to the one most essential,—namely, the preservation of India.

If I shall have succeeded in giving you any information whereby India may be rendered more secure, and the discipline and welfare of that highly respectable army somewhat promoted, my only object will be attained; and if not, I must for ever lament, that the task has not fallen into more able hands.

I am, Sir,

Your very obedient Servant,

A BENGAL OFFICER.

May 9, 1812.

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END OF THE FIRST VOLUME

CORRESPONDENCE

PROCEEDINGS, &c.

LETTER from the Rt. Hon. ROBERT DUNDAS to the CHAIRMAN and DEPUTY CHAIRMAN.

Gentlemen, *Melville Castle, 30th September, 1808.*

The propriety and expediency of applying to Parliament for a renewal of the privileges of exclusive trade enjoyed by the East-India Company, with such modifications as may be deemed necessary, and for the continuance of the system of government in the British Territories in India on its present basis, but with such amendments, also, as the experience of its effects may appear to demand, having lately been the subject of frequent consideration and discussion, you will probably concur with me in opinion, that it is advisable now to ascertain, whether the Court of Directors are desirous of agitating the question at present, and of submitting it, in all its details, to the early consideration of Parliament.

I have the honor to be, Gentlemen,

Your most obedient and humble servant,

(Signed) ROBERT DUNDAS.

To the Chairman and Deputy Chairman
of the East-India Company.

**LETTER to the Rt. Hon. ROBERT DUNDAS, from
the CHAIRMAN and DEPUTY CHAIRMAN.**

(Secret.)

Sir, *East-India House, 12th October, 1808.*

We now propose to do ourselves the honour of replying to your letter of the 30th of last month.

From the communications we have at different times had with the Members of the Court of Directors, we are well assured it is the general sense of that body, that it will be for the interest of the Public and the Company, that the Charter should be early renewed. Convinced that this is their opinion, and apprehensive lest inconvenience might be produced, by setting this important subject afloat before it was in some degree matured, we have not thought it necessary formally to resort to the Court for a declaration of their judgment upon the question you are pleased to propose to us; but we have, in order to obtain what we conceive to be, with the knowledge we before possessed, sufficient warrant to us to give an answer to your preliminary enquiry, laid your letter before a Secret Committee of Correspondence: and we are authorized to state it to be their opinion, as it is our own, not only that the interests of the Public, as well as of the Company, will be best consulted, by continuing the present system of Indian administration, but that it is material the Charter should be speedily renewed.

With respect to any modifications which you or His Majesty's Government may have it in contemplation to propose, we shall be happy to be made acquainted with them, and to bring them under the most serious consideration of this House. We can at present only state, that we trust there will be no disposition to introduce any change, that would alter or weaken the main principles and substance of the present system, which, in the opinion of the Company, is essential to the due management and preservation of British India; and that, with respect to minor points, as far as they may be really compatible with those essential objects, the Court will not be influenced by any partial views to withhold from them the fair consideration due to them.

Glad

Glad that you have seen it proper to bring forward this weighty subject, and desirous to be favored with your further communications upon it, as soon as may suit your convenience,

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed)

EDWARD PARRY,
CHARLES GRANT.

The Rt. Hon. Robert Dundas,
&c. &c. &c.

LETTER from the CHAIRMAN and DEPUTY CHAIRMAN to the Right Honorable ROBERT DUNDAS.

Sir, *East-India House, 16th December, 1808.*

In consequence of a conference which we lately had the honor to hold with you, we have laid before the Court of Directors the letter which you were pleased to write to us, under date the 30th September last, on the subject of renewing the Company's Charter, together with the answer which we returned to that letter, on the 12th October following; and we are now instructed by the Court to state to you, that they approve of that answer, and are ready to enter with you, through the medium of their Committee of Correspondence, into a consideration of the various objects to which it may be proper to attend, in bringing forward so important a measure.

At the present moment it would, in the opinion of the Court, be premature in them, to proceed to any detailed specification of those objects, to which it may be proper, on the part of the Company, to attend, or to anticipate any discussions which it may be the wish of His Majesty's Ministers to propose; but the Court beg leave to offer some suggestions of a general nature, as the principal foundations on which a new agreement between the Public and the East-India Company may be placed.

1st. The system by which the Legislature has continued to the Company the government of the territories acquired by it in the East, with a regulated monopoly of the trade, has been held by the most eminent persons

conversant with that quarter and its affairs, to be the most expedient, both for the foreign and domestic interests of this country. Under it, those territories have been improved, and the security and happiness of the vast population they contain have been signally increased. It is also a system which establishes salutary checks for the exercise of the authority lodged in this country over the Indian administration, and for all the local details of that administration, in its political, judicial, financial, and commercial departments; and provides with singular felicity for a succession of a body of able and honorable European servants, who yield in general character and utility to no class of public functionaries under the Empire. In like manner, the constitution of the Indian army has proved itself calculated to produce a body of officers of high military spirit, and of very distinguished skill and conduct. The Court, therefore, trust that no material change in this system;—no change which would affect its principles or impair its efficiency, will be proposed.

2d. In this case, it will be unnecessary to enter into any discussion of the right of the Company to the territorial possessions; a right which they hold to be clear, and must always maintain, as flowing from their acquisition of those territories, under due authority, and after long hazards and vicissitudes, and great expense.

3d. The situation of the Company is, at this time, very different from what it was at the last renewal of the Charter, in 1793. European war, with hardly any intermission, through the whole of the period that has since elapsed, has exceedingly increased the expenses, and reduced the profits of the Company at home; and has likewise enlarged the scale of expenses abroad; where, moreover, wars with the Native Powers have been repeatedly carried on, to the vast accumulation of the Indian debt, now advanced from eight millions sterling, at which it stood in 1793, to about thirty-two millions. Without meaning at all to advert, in this place, to the question concerning the policy of some of those wars with the Princes of India; it is safe and proper to affirm, that they were not, in any degree, directed by the Executive Body of the Company, but proceeded from causes which that body could not control. As, in consequence of all the events which have happened since the year 1793, the be-
nefits

profits intended to the Proprietors of East-India Stock, by the Charter then passed, have not been realized; so the Court trust, that in the formation of a new Charter, due care will be taken to secure their proper share of advantage in any future amelioration of the Company's affairs, and especially that no measure will be adopted, which can have the effect of reducing the value of their capital stock. The dividend on that stock, which is only equivalent to the legal interest of money, is all that the Proprietors have ever received from the united sources of Indian revenue and Indian commerce, whilst the country has been enriched by the long continued influx of private wealth, and raised in the scale of nations by the political importance of the Indian empire.

4th. The liquidation of the Indian debt is, on all hands, agreed to be a measure of indispensable necessity. From the magnitude to which the debt has now risen, and the circumstances of the present unexampled time, the aid of the Public will probably be necessary to the attainment of this most desirable object. For the aid that may thus be afforded, the Court conceive that sufficient means of reimbursement from the Indian territory and revenue may be found; and the arrangement of a plan, for these purposes, might, as the Court conceive, form a very material part of the provisions of the new Charter.

5th. To apportion duly between the Public and the Company the military expenses of the Indian empire, is another measure now become unavoidable. For wars growing out of the Indian system, or out of sources purely Indian, the revenues and other means of the Company were long made to suffice, including even the charges of occasional attacks upon the Indian settlements of European nations; but the influence of European war has, in the present protracted period of hostility, extended itself more and more to India, occasioning the expense of various distant expeditions, and the increase of the military establishment, particularly in the European troops of his Majesty, which from being twenty years ago only a very few regiments now amount to above twenty thousand men, and those of the most expensive description of troops composing the military force of British India: nor is it at all improbable, that from the avowed design of France to invade our Indian possessions with great armies by land, it, may be necessary still largely to augment our European

pean force in that quarter. For a war of this description the Indian revenues, if unincumbered with debt, would be very inadequate. It would be an European war for European objects; a struggle between Great-Britain and France, on the soil of India, for the maintenance and support of their power in Europe. For such an object, to which the national funds only are commensurate, the national funds undoubtedly ought to provide; and as we know that, in this, we state only what your own mind has already perceived and approved, we the more confidently hope, that in a new Charter proper attention will be paid to the due regulation of so important a concern.

6th. As the early renewal of the Charter will serve to strengthen the hands of the Company in the transaction of their affairs, and improve their credit, so its renewal, for the like period as the present one run, and from the time of its expiration, would conduce to the same ends; and the Court are not aware of any objection to the proposition of this term.

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed)

The Rt. Hon. Robert Dundas,
&c. &c. &c.

EDWARD PARRY,
CHARLES GRANT.

*LETTER from the Right Honorable ROBERT DUNDAS,
dated the 28th December 1808, to the CHAIRMAN
and DEPUTY.*

Gentlemen, *Downing Street, 28th December 1808.*

In submitting to your consideration such observations as have occurred to me on your letter of the 16th instant, it is necessary that you should understand them to be merely preliminary, in contemplation of future discussions, and by no means as the result of any plan or projected system, matured in concert with His Majesty's confidential Servants. It will depend on the judgment which the Court of Directors may form on the propriety or necessity of adhering to the present system of their Indian trade and administration in all its parts, whether I shall be enabled to hold out to them any expectation, that their application to Parliament for a renewal of the
Company's

Company's Charter will meet with the concurrence of Government.

I shall follow the order adopted in your letter, in respect to the subjects which you have particularly mentioned, and shall offer some additional remarks on any other important branches of the present system, in which alterations may probably be deemed indispensably necessary.

1st. Concurring in substance with the proposition contained in the first article, I shall not enlarge upon its details. I have not yet heard or read any arguments against the continuance of the system under which the British Possessions in India are governed, of sufficient weight to counterbalance the practical benefits which have been derived from it, in their increased and increasing prosperity, and the general security and happiness of their inhabitants. It is possible that the same effects might have been produced under a government immediately dependent on the Crown; but for the attainment of those objects, the experiment is, at least, unnecessary, and it might be attended with dangers to the Constitution of this Country, which, if they can be avoided, it would be unwise to encounter. Any alteration, therefore, which may be suggested in this part of the system, will probably be only in its details. It may, however, be deemed advisable, to extend the controlling authority of the Board of Commissioners to such proceedings of the Court of Directors in England, as are immediately connected with the government or revenues of the Company's territorial possessions in India, more especially if the suggestion contained in your fourth article should be adopted.

2d. In the view which I have already taken of the proposition contained in the preceding article, it is certainly unnecessary to discuss the question of the Company's right to the permanent possession of the British territories in India. It is impossible that this right should be relinquished on the part of the Public, or that a claim can be admitted on the part of the Company, to the extent which has sometimes been maintained, and to which you seem to have adverted in the second article.

3d. It is equally impossible to acquiesce in *all* the reasoning, though I am perfectly willing to concur in the conclusion deduced from it in the third article. I think it very desirable, that no measure should be adopted, in the
renewal

renewal of the Charter, which would have the effect of reducing the value of the capital stock of the East-India Company, and that due care should be taken to secure their proper share of advantage, in any future amelioration of their affairs; but as the law has regulated the mode in which those affairs, at home and abroad, should be administered, I cannot enter into the distinction which is stated in this article, and which I have met with on other occasions, as to the equitable claim of the Company to any remuneration from the Public, or other benefit, on account of wars, or other events which, as represented in your letter, did not originate in "the Executive Body" of the Company, but proceeded from causes which "that Body could not control."

It would be premature, in this stage of the discussion, to enter into any details, as to the proportion of benefit to be derived by the Company or the Public, respectively, from any future amelioration in the state of your finances; and any contingent expectation of that nature must, at all events, be postponed, till a large portion of the Indian debt has been discharged.

4th. The liquidation of that debt is undoubtedly a measure of indispensable necessity, not only to the Company but to the Public. If we were now called upon to discuss the right of the Public to the territorial revenues which have been obtained in India, either by cession or conquest, it would be impossible to relieve the question from the fair claims of the Company and their creditors to a reimbursement of the expences which have been incurred, and the discharge of the debts which have been contracted, in the acquisition and maintenance of those possessions. Entertaining that opinion, and convinced that the liquidation of the Indian debt, in the most speedy and effectual mode, would be a measure of mutual interest and advantage, I do not suppose that your suggestion in the fourth article would be objected to by Government, provided the necessity, or at least the expediency of such an interference, on the part of the Public, is made obvious and apparent, and provided, also, that sufficient security is afforded for the punctual payment of the interest, and of an adequate sinking fund, for the liquidation of the principal of any sums advanced for that purpose. I need not remind you, however, that any such aid from the Public will be unavailing, and the relief afforded

forded by it will be temporary and delusive, unless by the zealous exertions of your Governments abroad, and the minute and detailed investigation and unremitting attention of the Court of Directors, the ordinary expenditure in India, including the interest of debt, shall be brought within the limit of your annual income. The most sanguine expectations of a result even more favorable, and of a large surplus revenue above your ordinary expenses in time of peace, have recently been conveyed to you by Lord Minto; but I trust that the Court of Directors will not be induced by those hopes, however well founded, to relax in their exertions. Every item of those, or any other estimates, which the Court may exhibit, must be strictly scrutinized and compared with the actual results of former years, and with the detailed account of any reductions which may have been ordered or carried into effect.

5th. I can have no hesitation in acceding, with some limitations, to the principle for which you contend in your fifth article. It is absurd and unreasonable to suppose, that the East-India Company, out of their own revenues, can long maintain a contest against the power of France, aided by the greater part of Europe and a large portion of Asia. If the principal theatre of the war between European nations is to be transferred to Hindostan, it must be supported, to a considerable extent, by European resources; and if our empire in India is an object worth preserving, this country must contribute to its defence, against any attack of the description which we have been taught to expect. The extraordinary expenses incurred in the necessary preparations for such a warfare, or in the actual contest, ought not, in justice, to be imposed as a burthen on the Company alone, even if they were able to sustain it.

6th. I am not aware of any reason for extending the duration of the Charter beyond such a limit, as, with the unexpired term, will be equal to the period granted in 1793; but I state this merely on the first consideration of the subject: and if the general question is to be discussed, I shall pay due attention to any suggestions which the Court may think it right to offer on that particular point.

Having thus adverted, at greater length perhaps than was necessary, to the various topics introduced into your letter, I shall proceed to state such observations as appear

to me necessary to be submitted to the consideration of the Court of Directors, for the purpose of enabling them finally to decide, whether, under the circumstances of the present situation of the Company's affairs, and of the expectations which will probably be entertained by the Public, and sanctioned by Government, they will adhere to their intention of applying now to Parliament for a renewal of the Company's Charter.

It will readily occur to the Court, that whenever an opportunity is afforded of deciding in Parliament on the propriety of continuing in the Company any privileges of a commercial nature, it will be important to consider, whether the system established by the Act of 1793, for the trade of private individuals between Britain and India, has answered the expectations, or fulfilled the intentions of the Legislature. It is wholly unnecessary for me, at present, to enter into any detail of the various discussions which have taken place on that subject. The arguments on both sides of the question must be familiar to the Court, and the opinions of those persons who have turned their attention to it, have, in all probability, been long since fixed and settled: it is fit, therefore, that the Court should now understand distinctly, that I cannot hold out to them the expectation, that His Majesty's Ministers will concur in an application to Parliament for a renewal of any privileges to the East-India Company, which will prevent British merchants and manufacturers from trading to and from India, and the other countries within the present limits of the Company's exclusive trade (the dominions of the Empire of China excepted), in ships and vessels hired or freighted by themselves, instead of being confined, as at present, to ships in the service of the Company, or licensed by the Court of Directors. In the detail of any legislative provisions which it might be expedient to enact on this subject, it would be absolutely necessary to guard against the abuses which would arise, from facilities thus afforded to persons attempting to settle and reside in the British territories, without a license from the Company, or without the sanction or knowledge of the local Governments.

There are various other points to which it would also be necessary to pay due attention, not only as being important to the Company and to the general trade of the country, but essential to the security and easy collection

lection of the public revenue. It would obviously, however, be premature, on this occasion, to enter into any further detail, and I have confined myself to a mere statement of the general proposition.

Another point, which would probably be deemed indispensable, is an alteration in the military system in India, for the removal of those jealousies and divisions, which have unfortunately been too prevalent, between the different branches of the military service in that quarter, and which must, at all times, be highly prejudicial to the public interest; and for the correction of the anomalous system of divided responsibility, which prevails at present in this country, in every thing that relates to the military defence of India. The only effectual remedy for these evils will, probably, be found in arrangements for consolidating your Indian army with the King's troops, founded upon the plan so strongly recommended by Lord Cornwallis, with such modifications as the actual constitution of your service may render expedient or necessary. These arrangements need not be attended with any alteration in the system of promotion now in operation among the officers of the native branch of the service, or with any diminution (they might more probably produce an increase) of any other professional advantages which those officers now enjoy; neither would they, in any degree, interfere with the general authority now possessed by the Court of Directors and the Governments in India over all His Majesty's forces serving in those parts, or with their control over all disbursements of a military nature. I am, moreover, not aware of any reason against continuing in the Court of Directors the nomination of all cadets, destined to hold commissions in the Indian army.

Having thus stated to you, for the consideration of the Court of Directors, the principal points to which I was desirous of drawing their attention upon this occasion, I have only to assure you, that it will be the earnest desire of His Majesty's Government to suggest to Parliament such a system only, as shall be conformable to the principles on which the regulations of 1734 and 1793 were founded, as will secure to this kingdom all the benefit that can practicably be derived from its trade with our possessions in India, and to the natives of those countries a government, and an administration of laws,

sued to their customs, habits, and prejudices, and consistent with the British character, and which shall also be strong and efficient, without adding unnecessarily to the authority of the Executive Government at home, or increasing, to any dangerous extent, the influence of the Crown.

I have the honor to be, Gentlemen,

Your most obedient humble servant,

(Signed) ROBERT DUNDAS,

To the Chairman and Deputy Chairman
of the East-India Company.

**LETTER from the Chairman and Deputy Chairman
to the Rt. Hon. Robert Dundas.**

Sir, *East-India House, 13th January 1809.*

The letter which you did us the honor to address to us, on the 28th of last month, on the important subject of a renewal of the Company's Charter, has received the most serious consideration of the Court of Directors, and we are, by their unanimous resolution, instructed to submit to you the following answer to it.

The Court having, in the letter which we had the honor to address to you on the 16th of last month, thought it sufficient to sketch the outlines of those principles and propositions which should, in their opinion, form the basis of a new Charter, and the reply you have been pleased to make to it, declaring the same intention of stating observations merely preliminary, and "not the result of any plan, or projected system, matured in concert with His Majesty's confidential Servants," our present letter will abstain from any discussion of minor points, those especially relating to the proceedings of the Court of Directors with servants of the Company returned from India, to which article your letter is understood to allude; and likewise from some other points, connected with the exercise of their authority at home, which may be found to require revision and modification. Neither can it be necessary to go now into the subject of the Indian Expenditure, although it is impossible, after the notice taken of it in your letter, to omit saying, that the Court feel with the liveliest solicitude, how indispensable it is

to

to reduce that article far below the income, and are determined to act accordingly.

The attention of the Court will, therefore, be confined, at present, to two propositions of the highest importance, contained in your letter; the one suggesting such an enlargement of the trade of individuals with British India, as shall admit into it indiscriminately the merchants and the ships of this country; and the other, the transfer of the Company's Indian army to His Majesty. If these propositions had not been accompanied by the declaration with which your letter concludes, they would have filled the Court with the deepest concern; but you are pleased to close the whole of your observations with an assurance, "that it will be the earnest desire of His Majesty's Government to suggest to Parliament such a system only, as shall be conformable to the principles on which the regulations of 1784 and 1793 were founded, as will secure to this kingdom all the benefit that can practicably be derived from its trade with our possessions in India, and to the natives of those countries a government and an administration of laws, suited to their customs, habits, and prejudices, and consistent with the British character, and which shall also be strong and efficient, without adding unnecessarily to the authority of the Executive Government at home, or increasing, to any dangerous extent, the influence of the Crown." Satisfied, by this declaration, that His Majesty's Government understand the interests of this country and of British India too well, to intend any alteration that would subvert or endanger the system by which those vast possessions have been acquired, governed, and improved, and by which alone they can be held, to the mutual benefit of their immense population and of the paramount state, the Court must, of course, believe, that the propositions which have just been quoted, are supposed to be compatible with the continuance of that system, or reducible to a consistency with it. These suppositions the Court are now called upon to examine, and they will endeavour to do so with the respect due to the authority with which they have to treat, with the duty which they owe to their constituents, and with that regard for the interests of their country, which they do not intend, nor feel themselves required

required to sink, in supporting the integrity of the present Indian system.

If either of the two propositions, respecting the Indian trade and the Indian army, were to be acted upon, in the sense which the terms of it seem obviously to convey, the Court have no hesitation in declaring their decided conviction, that it would effectually supercede and destroy, not merely the rights of the East-India Company, but the system of Indian administration, established by the Acts of 1784 and 1793; and with respect to the latter proposition, for the transfer of the native army, it appears to be incapable of any modification, which would not still make the overthrow of the present system the certain consequence of it. The Court will take the liberty to state the reasons on which these opinions are founded, with as much fulness as the bounds of a letter, and the dispatch necessary at this period, will permit, premising only, that in the time and space to which they must now confine themselves, many things, belonging to the consideration of both subjects, must be omitted.

With respect to the Private Trade, the Company are not governed by narrow considerations of commercial profit or commercial jealousy; and, in fact, the Indian trade, as an object of gain, has gradually ceased to be of importance either to the Company or to individuals.

The admission into it already accorded to British residents in India, with the prodigious increase of the cotton manufactures of Europe, the changed circumstances of the European Continent, and the almost incessant wars which have prevailed for the last sixteen years (wars still without any near prospect of termination) have reduced the value of that trade to a very low point. The Court are actuated by a thorough persuasion, that the unlimited freedom, for which some persons have, of late years, contended, would have political consequences more injurious to the power of this country and of British India, than the advantages anticipated by sanguine minds, from an enlargement of the commerce, could compensate, if those advantages were to be realized; and that, moreover, the expectation of such advantages is unfounded, resulting from general presumptions, which are contradicted by the nature of the Indian people, climate, and productions, and by the experience of more than two centuries.

In any scheme of intercourse, purely commercial, between

tween this Country and India, the leading objects must be to export as many as possible of our home manufactures; and to import those commodities, which would either beneficially supply our own consumption, or the demand of other countries, European or Transatlantic: and it is, no doubt, imagined by many persons, that if the trade to India were perfectly free, these objects could be attained, in a degree extending far beyond its present scale. The ardour of individual enterprize, it will be thought, could find out channels, which the settled routine of a Company cannot explore, and carry on commercial operations more economically and expeditiously than suits with the habits of monopoly, whilst our most active rivals in the Indian trade would thus be best counteracted. The present times, it will also be said, peculiarly demand new attempts and discoveries in commerce, and His Majesty's Government may very naturally wish, at such a crisis, to procure for the country every possible facility for the exertion of its commercial spirit, and the employment of its commercial capital. But before a change in its principle altogether novel, and obviously connected with national interests of the highest importance, is adopted, it ought to be seen, not only on what rational grounds the expectation of advantages entertained from it rests, but to what consequences so material a change might expose the country and its Indian dependencies.

Now, with respect to the benefits supposed to be derivable from opening the trade with India, it is, in the first place, to be observed, that no material enlargement, if any enlargement at all, is to be expected in the exports of our manufactures to that quarter. The records of the Company, for two centuries, are filled with accounts of their endeavours to extend the sale of British products in India, and of the little success which has attended them: The French, Dutch, and other European nations trading thither, have equally failed in introducing the manufactures of Europe there. This was not owing to their trading chiefly in the form of Companies; the Americans, who within the last twenty years have entered into the Indian commerce, and traded largely, not as a Company, but by numerous individuals, each pursuing his own scheme in his own way, in which course no part of the East is left unexplored, carry hardly any European

European manufactures thither, their chief article for the purchase of Indian goods being silver ; and such has been the state of the trade from Europe to India since the time of the Romans. This state results from the nature of the Indian people; their climate, and their usages. The articles of first necessity their own country furnishes, more abundantly and more cheaply than it is possible for Europe to supply them. The labour of the great body of the common people only enables them to subsist on rice, and to wear a slight covering of cotton cloth ; they, therefore, can purchase none of the superfluities we offer them. The comparatively few in better circumstances, restricted, like the rest, by numerous religious and civil customs, of which all are remarkably tenacious, find few of our commodities to their taste, and their climate, so dissimilar to ours, renders many of them unsuitable to their use ; so that a commerce between them and us cannot proceed far upon the principle of supplying mutual wants. Hence, except woollens, in a very limited degree, for mantles in the cold season, and metals, on a scale also very limited, to be worked up by their own artizans for the few utensils they need, hardly any of our staple commodities find a vent among the Indians ; the other exports which Europe sends to India being chiefly consumed by the European population there, and some of the descendants of the early Portuguese settlers, all of whom, taken collectively, form but a small body, in view to any question of national commerce.

What is here said does not relate only to those parts of India where the Company have settlements or factories, but to all the shores that embrace the Indian Seas, from the Gulfs of Persia and Arabia to the Eastern Archipelago. Many advocates for a free trade may suppose, that in so vast a range, numerous positions, favorable for the vent of European commodities, are still unexplored ; but they are not aware, that in the British settlements, which themselves extend on the west to Cambay, and on the east to China, there are a number of merchants, native and European, who carry on what is called the coasting trade of India, with great spirit, sending their ships to every mart, insular or continental, where any profitable commodities can be either sold or bought. At all those marts, European commodities have been tried by the enterprise of individuals. The little demand that has been found

found for them has been supplied; and residents, settled in India, can carry into such parts the trade in European commodities, which it is now open to them to receive from this country, with more facility and advantage than merchants settled in England.

To these facts and observations, arising from the nature and circumstances of the people and countries of India, one remarkable argument may be added, furnished by our own experience at home. In the Charter of 1793, provision was made for the export of British manufactures to India, by any individuals who might choose to embark in that trade. The Company were required to find them tonnage to a certain extent, which has always been allotted at a rate of freight cheaper outward, as well as for the returns, than the Company themselves pay, or, as the Court think, than private ships could furnish it. But, in all the time that has elapsed since, very few applications, and these to a small extent, have been made, for leave to export the woollens, metals, and other staples of this country, on private account, the chief applications having been for the freight of wine, for the consumption of Europeans: and this is not properly a British production, nor is it so much an increase in the trade, as a transfer of it to the private merchants from the commanders and officers of the Company's ships, part of whose advantage used to arise from being the carriers of this commodity.

All these circumstances, to which other corroborations might be added, the Court trust will fully convince, that the entire opening of the Indian trade to the merchants of this country, would not, in reality, extend in any considerable degree, if at all, the consumption of British manufactures.

Let it be inquired, in the next place, whether the adoption of so great a change in our Indian system, would be followed by the discovery of such new and valuable productions of the East, as would serve materially to augment the trade of this country with the Continents of Europe and America; for, with regard to the supply of our home consumption of Indian commodities, it cannot be asserted, that the importations already made by the Company and individuals do not abundantly suffice for it, or may not, at any time, be extended to the exigencies of the market; in which, it may be noted, that a preference is given to the cotton and silk manufactures of our

own country, and to some of the tropical productions brought from our West-Indian Colonies. Nor can it be asserted, that new adventurers in the Eastern trade, fitting out from Great-Britain, could, with any profit to themselves, furnish the home consumption on cheaper terms than it is now supplied; for both the Company, and British individuals resident in India, must have an advantage over such adventurers in the provision of goods there (British residents in the freight also), and yet, of late, the great Indian staple of cotton piece goods has been a losing article in this country.

Now, as to the productions of India valuable for foreign commerce, the trade of Europeans, of different nations, to all parts of it, in the course of the last three centuries, may well be presumed to have left little for discovery in that way. The Portuguese, who, in their early time, spread themselves along all the shores of the East, explored every considerable part of it, and they were followed by the Dutch, English, and French Companies, with their numerous establishments, some of which extended inland to the Upper India. But the modern European merchants, resident in the East, who have long been the chief navigators and adventurers in what is called the coasting trade, have become well acquainted with the commercial capacity of every region washed by the Indian Seas; so that many countries supposed here to be little known, because little visited by the ships of Europe, are familiar to them, and whatever articles those countries furnish, valuable for the commerce of the West, are already conveyed, through the medium of private or foreign trade, to Europe.

The chief commodities suited to the European market, which India has hitherto been found to produce, are spices, pepper, drugs, sugar, coffee, raw-silk, saltpetre, indigo, raw cotton, and above all, cotton manufactures of singular beauty and in endless variety. These last have, as already intimated, formed, from time immemorial, the grand staple of India; but from the rise and excellence of similar manufactures in Europe, particularly in our own country, and from the general impoverishment which wars and revolutions have brought upon the Continent of Europe, with the obstructions opposed, in much the greater part of it, to our commerce, the consumption of the fine fabricks of India has considerably decreased, and

and it is not likely that it can be restored to its former standard. Spices, sugar, and coffee, have been furnished chiefly from the Moluccas and Java, Dutch islands not in our possession, nor, in a commercial view, worth the expense of conquering and keeping them. The cinnamon of Ceylon, now ours, may be brought in sufficient quantity for the supply of all Europe, in one or two of the Company's ships. Pepper is a very losing article. Sugar has been, of late, imported from our territories; but the necessary expense of conveyance from so great a distance, prevents it from being profitable, and it can be much encouraged only at the expense of our West India colonies. Raw silk and indigo, now produced in great perfection in Bengal and its dependencies, have been brought to that state, by the expense incurred, and the support afforded by the Company. Both are articles occupying little space, in proportion to their value. The factories where the former is collected and prepared are in the hands of the Company, who have, in the course of many years, established them with great labour and expense. They can furnish not only all the raw silk this country requires, but much for the consumption of the Continent, if it was possible to bring it there into competition with the raw silk of Italy, and the tonnage already employed by the Company is quite sufficient for its importation from India. The indigo produced in Bengal and the adjacent Provinces is equal, probably, to three-fourths of the demand of all Europe, and may easily be raised to the whole demand; but the manufacture of this article is entirely, and the trade in it chiefly, in the hands of individuals, who need and require no shipping from this country, except what the Company provide, to convey to Europe, all that Europe can consume of it. Saltpetre, furnished only from Bengal, is, for political reasons, prohibited to foreigners, and exported exclusively in the ships of the Company: for the same reasons, it could never be prudent to allow the private ships of this country to carry it away at pleasure. Where then is the scope for the admission of new shipping and new adventurers, without limitation, into the trade of India with Great-Britain? In general, it may be observed, that the commodities which have hitherto come from that country, in a state prepared for use, such as the great staple of cotton piece goods, being articles of luxury, can have only a

limited consumption, and that the demand for them could not be increased, at all in proportion to the number of new competitors that should enter into the trade. The same may be said of all kinds of spices and drugs, which, from their nature, have a limited consumption; and, with regard to the important articles of raw-silk and indigo, which require a further preparation before they are used, there is already abundant provision made for their importation, to the utmost extent of demand.

There remains then to be considered, of all the commodities above enumerated, only the raw material of cotton; and to this may be added another, of high importance, which India is in time likely to produce abundantly, namely, hemp. Now, with respect to the former of these, the Company have formerly imported it, and permitted private merchants to do so; but it was found, that the cotton of India could not enter into competition with that produced nearer home, in the Brazils, the West-Indies, and North America. Of late, since the interruption of our trade with the last mentioned country, the Company have themselves commissioned cotton from India, and have been willing to encourage individuals to export it from thence; but that it can support a competition with the cotton of Georgia, when the American embargo is taken off, or become an article of extensive demand in this country, supplied with it from so many nearer quarters, is not very likely. The culture of hemp in India is yet in its infancy. A change in the circumstances of Europe may check it; but if it is not checked, years must elapse, before the quantity produced can form a considerable article of exportation. And with regard to both these commodities of cotton and hemp, it is to be observed, first, that cargoes for Europe cannot be composed of them only, some other, more ponderous for its bulk, being necessary for dead weight, and sugar, almost the only article of this nature that India can supply, must generally be rather a losing one: secondly, it is to be observed, that the private ships ready to be employed in India, must be abundantly sufficient for the supply of all the tonnage that can be required for these articles, which could hardly absorb any very large amount of capital. Thus, then, it is also apparent, that the country and productions of India afford no new field of

of importance for the commercial enterprize of the merchants of Great Britain.

But were it indeed otherwise, where, in the present circumstances of the European Continent, could new commodities, imported into this country from India, find a vent, when many of those already made, and of articles which the Continent used to take off, remain in our warehouses? And hence may appear the inapplicability of that argument, which has sometimes been urged in favor of enlarging, or rather opening the Indian trade to individuals, *that they should be allowed to "bring home the surplus produce of India which the Company did not require."* There can be no room for additional importations, when the ordinary scale proves too large. But in the use of this plausible plea, respecting *surplus produce*, there was always a great fallacy. It seemed to imply, that there was a stock of commodities in India which continually remained undisposed of; whereas nothing is more evident, than that the productions of any country will be regulated by the demand, and that no agriculturists or manufacturers will go on from year to year to produce that for which they have no sale. The term, as connected with the Company, might also convey the idea, that *they* were the only purchasers in the country; whereas, at that very time, British residents and foreign nations had the privilege of exporting goods to the western world, and there was a great coasting and internal trade from one part of India to another. But the argument for permitting individuals to export the surplus produce, included fully, though not professedly, the principle of transplanting British capital to India, in order to raise produce there; a principle which, it may be thought, this country has already carried sufficiently far in its other distant dependencies, and which could not be applied to India without political consequences.

But it has been alleged, that the refusal of the Company to make a concession, which appeared to them to be claimed on unsound premises, and to be pregnant with danger, threw that trade, which might have been brought into the Thames, into the hands of foreigners, particularly the Americans, whose great progress in the Indian trade, of late years, has been charged to an erroneous policy on the part of the Company. Nothing can

can be more mistaken than the whole of this statement. Several European nations having from the native sovereigns of India the right of possessing settlements and carrying on trade there, a right which we had confirmed, we could not interrupt the exercise of it whilst they remained at peace with us ; nor, therefore, divert from them whatever portion of the trade their means enabled them to embrace. And, with respect to the Americans, they owe their advancement and success in the Indian trade to the treaty made with them by our Government in 1794, to the belligerent state of Europe since that time, and, above all, to the neutral character they possessed, which enabled them to navigate more cheaply, more expeditiously, as well as more safely than our merchants or the Company could, and to supply many parts of the European Continent and of South America, to which our ships had no access. These, with the increase of the consumption of eastern commodities among themselves, are the true causes of the growth of the American trade with India ; and even the abolition of the Company's privileges would not have transferred the share they acquired of it to our merchants, because it could not have lessened the advantages under which the Americans then carried it on, nor have gained us either the supply of their internal demand, or admission to many ports which were open to them. What the Company could do, in the way of regulation, to reduce the inequality between the American traders and our own merchants, you know, Sir, was effected, as soon after the expiration of the treaty of 1794 as His Majesty's Government thought expedient.

Among the speculations of the present day, the idea may perhaps be suggested, of carrying the productions of India directly to the ports of Portuguese and Spanish America ; and eagerness for relief from the pressure which our commerce now feels, may be ready to make so great a sacrifice of the navigation laws. But such a measure would essentially exclude the mother country from being the medium and emporium of our Indian trade ; and whilst it served to enrich India, rather than Britain, would facilitate the progress of the former to independence. If, however, so dangerous an innovation were not adopted into our commercial code, it is altogether probable that English ships, admitted without limitation
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into the Indian Seas, would take the liberty of sailing to those markets which would be thought the most promising; so that, in effect, the opening of the Indian trade would be not solely or chiefly for this country alone, but for other, perhaps for all parts of the world.

Having thus shewn, that the opening of the Indian trade to the subjects of Great Britain could not materially increase, either the export of the manufactures of this country, or its commerce in the productions of India, it will next be proper to consider, what the effects of the proposed change would be upon the East-India Company and upon British India.

And, in the first place, it would, in substance and in form, entirely abolish the qualified monopoly which the Company still enjoys of the Indian trade. The admission of all private merchants, at their pleasure, and of their ships, into that trade, would make it as perfectly free as the trade to our American or West-Indian colonies. There would, as to India, be an end of all exclusive privilege of trade. This would not be any modification of the Act of 1793, but an essential departure from it. That act permitted only the export of British manufactures, and intended only to provide for the returns to them, and for the remittance, in goods, of British fortunes from India; both on the ships of the Company. The proposed measure must, in the nature of it, make the trade from India not merely a vehicle for the remittance of fortunes acquired there, or the produce of British manufactures, but a general trade; and what is a still more radical change, instead of a limited amount of tonnage not incompatible with the Company's system, it admits all ships, without any limitation, or option on the part of the Company: it throws all India open to those ships, and thus sets aside the Company from being the sole channel and medium of the trade, through their own shipping, or shipping engaged by them, which completely divests them of the last remnant of exclusive privilege in that trade.

It would be no argument to say, that in a trade, by which they now gain little, they might admit, without much sacrifice, the rest of the commercial world to share.

The loss of the Indian monopoly, such as it was left by the Act of 1793, would lead, by no slow process, to the entire subversion of the Company, both in their commercial

est claim to those territories, which the powers vested in them by the laws of this land, the ability of their servants, and the hazards they have encountered, have enabled them to acquire, and that this right was never questioned, until the acquisitions, and consequently the merit of making them, became great; yet that, in a more peculiar sense, all the principal marts and factories of British India are their property, acquired in their purely commercial period, either with their money or by grants from the native princes of the country, and that the power of admitting settlers and traders to them strictly belongs to the Company.

One part of the present system, and a beneficial one for all parties, is to have only one place of sale for Indian goods, that is London; to make all sales by public auction at stated periods, and these sales to be regulated and conducted by the Company. With the proposed enlargements, it would seem hardly possible to continue that practice. Different towns would have their own sales, at their own times. Individuals might frequently chuse to dispose of their goods by private bargain. The general resort of buyers which the sales were wont to bring to London, a resort often productive of other commercial speculations, would thus be at an end; and the benefit derived from public auction, when that was the sole mode, would be lost, in the midst of many private sales and competitions: but to dispose of the goods of the Company by private negotiation, might open a door to many abuses, which would render that mode totally unsuitable for their business. The Company, with such a competition, could not go on to purchase the goods of India. With the cessation of their Indian trade; their Indian subordinate factories, which have been reared in the course of more than a century, and which are the seats of the best manufactures produced in the country, must be abandoned, and all the commercial branch of their civil servants be thrown out of employ. Their purchases of goods at home, for the Indian market, must also cease, with the circulation of money which has enabled them to support their credit in England, and to provide for the payment of bills, which it has been long and necessarily the practice to draw on them from India; a practice which, under such a change of circumstances, could not be continued: and, in general, the

the great aid which the political affairs of British India have, at all times, derived from the commercial credit and resources of the Company with the reciprocally beneficial co-operation of the different parts of the Company's system, must thus be destroyed. In like manner, the Company must cease to employ the numerous class of excellent ships they have engaged for the Indian trade, ships constructed for warlike defence as well as for commerce, and rendered expensive only, by being necessarily destined and fitted for the performance of political services. Those ships the Company have contracted to employ for the term of their duration: there is a large capital embarked in them, and they can be employed in no other way than in that for which they were built. When they can no longer be kept up, the means of conveyance they have hitherto so well afforded for troops, and the large supplies of naval and military stores annually sent to India, must be lost.

But there is no reason to believe the evils would end here. The monopoly of the China trade, which it is proposed to continue, would not be safe. British ships, when permitted to range at pleasure through the Indian seas, however interdicted from that trade, would attempt to participate in it, either by resorting to it as the country ships do, under color of carrying on the coasting trade, or by other means obtaining teas, and the other productions of China, at the most convenient Indian ports. Love of gain, disappointments in other ways, the hope of impunity, would stimulate their conductors to break through restrictions imposed in this country. British subjects, who now navigate the Indian Seas, sail from some one of our established settlements there, and are amenable to the laws of it: it would not be so with men having no domicile in India. In ranging the numerous islands and coasts of the Eastern Seas, where they would be unknown, and whence they could not be followed to England by complaints, the probability of impunity might tempt them to commit upon the weak natives, accustomed to repose confidence in Englishmen, acts of injustice and licentiousness, which would wound the national character, raise complaints throughout India, and set the people against us. In this manner the Portuguese formerly rendered themselves odious in the East, and contributed to the downfall of their own power. In China, where the effects of such a spirit

spirit would be most to be feared, we could exercise no authority, sufficient to control men not within the reach of the Indian Governments, or to defeat their schemes and associations for eluding the laws. Practice would embolden them, and time increase their numbers. It is hardly conceivable they would not venture upon irregularities which would offend the Chinese Government, who, whilst the delinquents escaped to England with impunity, would doubtless take satisfaction of the national factory; and the pride and jealousy of that government, alarmed by repeated instances of this nature, from the desultory visits of a new order of Englishmen, insubordinate to the representatives of the nation, might determine to dismiss the whole together. If this extreme case be not supposed, which however is too probable and too momentous in its consequences to be hazarded, can it be doubted, that whilst the duties on tea continue at even the fourth part of what they are at present, private English ships adventuring to the Eastern Seas will not, by means of country vessels and intermediate ports, if by no other means, procure teas, and revive the practice of smuggling them into this kingdom? The consequence seems inevitable, and the ships of our own country, especially if allowed to chuse their port of discharge, as the proposed change seems to require, would have facilities, which those of foreign Europe or America could not command. In these ways, the China monopoly of the Company, reduced in its profits, would be rendered likewise insecure, and in the end untenable; and the noble fleet of ships, employed in that trade by the Company, must be also laid aside. How the immense revenue, now derived by Government from the very high duties on tea, could, under such circumstances, be realized, or a substitute found for them, may be an important, and, to all appearance, a most difficult subject of enquiry.

But a more serious consequence than all these would still remain. A free trade to India would, unavoidably, draw after it the residence of numerous and continually increasing Europeans there, whatever prohibitions might, at first, be opposed to their settling in the country. When * all restraint to the importation of ships and goods is taken off, men must be allowed to follow their property, and to remain at the place where they land it till they have

have disposed of it : they must be allowed to navigate the Indian Seas, and to return to the same place when their business calls them : they will thus, insensibly, and with hardly reasonable grounds for opposition, domiciliate themselves ; nor would an unsuccessful trade prevent them, but many would seek to indemnify themselves on shore for their losses by the voyage. The instances of such settlements will be numerous, and it will be impossible for any police to follow up the cases of individuals, and continually to exercise a rigorous system of exclusion. This has not hitherto been done, though attended with comparatively little difficulty ; and the attempt would soon, under the new order of things, be abandoned as hopeless. Colonization must, in such case, follow. Large communities of Europeans will struggle for popular rights : new feelings with respect to the mother country, new interests and attachments will then spring up ; and in a region so remote, so rich and populous, and so accustomed to yield to the ascendancy of the European character, the tendency and process of these things cannot be difficult to conceive.

With the prospect of all these consequences, commercial and political, before the Court, it is impossible that they, as faithful guardians of the interest committed to their care, or as men truly solicitous for the welfare of their country, which they profess themselves to be, can advise their constituents to seek a renewal of their Charter, on conditions which would despoil it of all its solid advantages, deprive the Company of their most valuable privileges, and incapacitate them from performing, for themselves and the nation, the part hitherto assigned to them in the Indian system. Such a further enlargement of the Indian trade, in favor of individuals, as may be compatible with the preservation of these essential objects, the Court will, in present circumstances, certainly be disposed to recommend. They will be ready to enter into a serious enquiry concerning the concessions which may be made, without trenching upon the principles established by the Act of 1793 ; and they trust that the justice and wisdom of His Majesty's Ministers will not require the Company to make essential sacrifices, for the sake of giving to the Public what would, after all, be more an ideal than a real benefit, and be, in other respects, productive of incalculable disadvantages.

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The other important proposition which is next to be considered, is the transfer of the Indian Army to the King. The reasons assigned for this proposition are, that an end may be put to the jealousies and divisions which have too much prevailed, between the officers of His Majesty's army and those employed by the Company, and that the responsibility in the country, of providing for the military defence of India, may be ascertained and strengthened.

The Indian army is the main instrument by which the Company have acquired and retained the territorial possessions they have added to the British Empire. The people of those countries submitted more easily to an authority exercised by means of a body formed from among themselves. We fought battles and governed provinces as the native powers did; and our new subjects, undisgusted with the sight of a foreign conquering army, supposed the government to continue substantially the same, and the principal change to be in the individuals who exercised it. The constitution and character which this Indian army has acquired, have been the subject of just admiration. These have been owing, essentially to the happy mixture of bravery and generosity, of firmness and kindness, exercised towards the Sepoys by their European officers. The superior lights and energy of the European character have directed the powers and conciliated the prejudices of the native troops; but it was because the officers knew the people and their prejudices well. These officers had been trained up among them from an early age: the nature, the usages, and the language of the natives, were become familiar to them; and the natives, remarkably the creatures of habit, in return, from being accustomed, became attached to them. Without such knowledge, however, on the part of the officers, they might every day have revolted the minds of so peculiar a race, and have alienated them from our service and government.

An Indian military education, from an early age, is essential to the formation of a good Sepoy officer, and gradual rise in the service by seniority, is no less indispensable. In this way, the Indian army has been constituted and rendered eminently efficient; and all measures, tending to change or weaken the constituent parts of this fabric, are to be deprecated. When, excepting a few regiments

regiments of European artillery and infantry, the whole military force of British India was composed of Sepoy corps, the officers of that army, of course, possessed entire the emoluments and advantages which the service afforded. The introduction of European troops from His Majesty's army into India altered this state of things. Young officers, of no Indian experience, who had obtained their commissions by purchase, took rank of men of long and tried service: the King's officers were thought to come in, also, for too large a share of employments and advantages. To redress the complaints which the Company's officers made of supercessions and partialities, and to give them a better share of the benefits of the service, was the leading object of Lord Cornwallis's Military Plan of 1794, and with him a principal motive for proposing to transfer the Indian army to the King, no other practicable means having then occurred to him. But the object was, in substance, attained by the Military Regulations of 1796, passed in concert with His Majesty's Government, without that transfer, of which his Lordship did not revive the idea on his last return to India, those regulations having given increased rank and retiring pay to the officers of the Company's army. The causes of complaint, however, did not entirely cease. To avoid the collision of authorities, the Company had adopted the usage of appointing the Commander-in-Chief of the King's troops, also their Commander-in-Chief; and one consequence of this has been, that the Company's officers, resident from early youth in India, possessing little influence in England, unknown to officers of high rank in His Majesty's service, have thought themselves treated with less favour and distinction, than younger officers of that service recently arrived, but better patronized. You know, Sir, that there have been instances of this sort, which the Court, with the sanction of your Board, have interposed to repress: but as long as the British force in India is made up of two armies, so differently constituted, with so large a portion of King's officers, the whole commanded by generals of His Majesty's service, there will, probably, be real or apprehended ground for the like complaints. They do not arise because one army has the honour to belong to His Majesty and the other serves the Company, but because the constitution of the two armies are radically different, and must continue so, whether the armies are

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are under one head or two. The Indian army cannot be maintained without officers attached to it from an early age, and rising by seniority. Frequent changes of King's regiments serving in India, and the consequent frequent arrival of young men, promoted in them by purchase, cannot be avoided: the former class will be comparatively unknown to the King's commanders, the latter will have among them the connections of those commanders, or of men of influence in England. It is not difficult to see, therefore, to which side the exercise of military patronage will lean; and to prevent causes of complaint, and to keep the balance even, must be an important object in the Government of India. It does not seem the way to effect this, to put the Indian army wholly in the power of the Commander-in-Chief. It is of the partiality of that station of which the Company's officers have sometimes complained; and the Court see no reason whatever to suppose, that their jealousy and dissatisfaction would be removed, by putting them entirely under its control: and, indeed, by placing two armies, of such different races and so differently constituted, under the same master, it would seem difficult to avoid attaching the idea of permanent inferiority to that which was Indian. Nor is it a thing to be taken for granted, that the Sepoys, so much, as already observed, under the influence of habit, would chuse to be transferred from that service to which they have been always accustomed, to one of which they have little experience, and that experience not always of a conciliatory kind. To place the officers of the Indian army wholly under that authority of which they have hitherto complained, does not certainly appear to be the way to render them easy. It might, on the contrary, lead to serious discontent; and though the Court would be far from countenancing that spirit among their officers, or yielding to any irregular exertion of it, yet it must be said, on the other hand, that those officers are a body of men who have deserved too well of the Company and their country, to have real causes of discontent; and that it would be impolitic to adopt any system, likely to generate such causes, either among them or the men they command.

With regard to the other reason assigned for the proposed change, the Court beg leave to observe, in the first place, that they do not perceive the necessary connection between the inconvenience which is alleged, and the remedy

remedy suggested for it; since, if it were true that the question of responsibility in England, respecting the appointment of Commander-in-Chief, lay under an obscurity and uncertainty detrimental to the public service, it does not appear to follow that the Indian army ought to be transferred to the King, to remedy this defect. But, in the humble apprehension of the Court, no obscurity hangs over that question. The appointment of Commanders-in-Chief of the King's forces there rests with His Majesty, and the officer chosen by him will, by virtue of his commission, generally command the Company's army on service. The appointment of Commanders-in-Chief for the Company's army is placed, by law, in the first instance, in the Court of Directors, but with a power vested in His Majesty to annul such appointments. This necessarily points to an agreement between His Majesty's Government and the Court of Directors, in respect to those appointments, and the Court are not aware, that they have, on any occasion, used the share of power left to them by this arrangement, for the exercise of which they feel that they are responsible, to the prejudice of the public service. They must, at the same time, humbly express their opinion, that the law, as it now stands, is wisely conceived, since it does not halve the responsibility, but double it, making both His Majesty's Government and the Court of Directors fully answerable for the appointment of the Company's Commanders-in-Chief: and if it should still be said, that, in point of fact, the selection of a Commander-in-Chief for His Majesty's forces may be rendered difficult, by reluctance, on the part of the Court, to accept of the same officer for the command of the Company's army, it may be justly replied, that they make a sacrifice to the public interest, in agreeing that the Commanders-in-Chief of His Majesty's shall also be the Company's; and when he is not only to command their army, but expects to be made a Member of their civil and political Government, it cannot be deemed unreasonable, that they should possess the right of satisfying themselves as to his competency for filling those high offices: neither is it, as they think, to be shewn from theoretical reasoning, or by an appeal to facts, that the service will suffer, or has suffered, by their assertion of this right.

But the strongest objections of the Court to the proposed

posed transfer arise from political considerations. They conceive the continuance of the Indian army in the hands of the Company to be essential to the administration of the civil, financial, and political affairs of British India, according to the present system. The Company's Government has hitherto been respected, both by its own subjects and foreign powers, because it possessed a great military force. Organizing this force, enlarging or reducing it at pleasure, appointing its officers, rewarding merit, punishing the unworthy, providing for the comfortable retirement of the veteran soldier and officer, and, in short, exercising all the functions of a governing power over a very numerous body of men of high military spirit, it has possessed all the respectability and the benefit of their attachment and fidelity. Looking upon the Members of the civil Government and the body of civil servants as belonging to the same master with themselves, and as the first order in the state, they have paid a willing obedience to their authority, and have thereby upheld their internal administration and their consequence abroad. The introduction of certain King's regiments has been understood, as it was intended, to be merely in support of the public interest under the existing system: but if the Company were to be divested of the whole of their military force and power; if they were to be no longer masters of a single regiment, no longer capable of entertaining any soldiers nor of giving one subaltern's commission; if the immense body of men, who have so long looked up to them, were to be transferred from them, the people must consider their power as fallen and drawing rapidly to a close. Continuing still to their Governments a general control over the employment of the army, and to their civil servants the internal administration of their affairs, would give the people no assurance to the contrary. Those servants, in the discharge of their different functions of judges, magistrates, collectors, could not expect the same respect and support, either from public opinion or the attachment of the native troops, as when all looked to the same head for protection, patronage, and reward. Indeed, to make so wide a separation of the military from the civil power; to take away the organization, the interior regulation, and with these, the patronage of the army, from the local Government; to place all those powers in the hands of the

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Commander-in-Chief, subject only, in the exercise of them, to an authority at the distance of half the globe, would throw the means and the temptation of a dangerous ascendancy into the scale of the military department, which, constituted by His Majesty, might easily be led to slight the civil servants of a meaner master, and their chance of distant redress. Among the natives of India it has been usual to consider the military power, and those possessing it, as pre-eminent; and they see, in some examples of the present day, *that* power, under the idea of assisting the civil and political administration, actually controlling it. The Company's Government, in short, lowered and over-shadowed in this way, would not, in the opinion of the Court, continue to possess the authority necessary for the proper administration of the affairs of that great empire; and it might then be conceived, that a further change only could supply what was defective.

But this is not the only way in which the measure in question appears to the Court to be pregnant with danger. It proposes to place in the entire disposal of the Crown, a regular army, amounting to one hundred and forty thousand men, commanded by above three thousand European officers, having a great variety of places of honor and emolument; and all the vast patronage attaching to such an army (saving the nomination of cadets) would, mediately or immediately, be under the influence or control of some of the Members of His Majesty's Government. This would be a signal departure from the spirit and letter of the Acts of 1784 and 1793, a professed principle of which was, that the Indian patronage, civil and military, should be kept entirely out of the hands of the servants of the Crown. It is not for the Court to enlarge upon a proposition so momentous; but they beg leave, with the utmost deference, to state, that they would deem it a dereliction of their duty, to which no consideration could induce them to submit, to recommend any measure of this description to the adoption of their constituents. Knowing however, Sir, your concern for the promotion of the public interest, a concern which we have frequently witnessed, the Court still flatter themselves, that the consideration of the renewal of the Company's Charter, a measure which they believe to be for the interest of the nation as well as of the Company, will go on without your insisting on this proposition, or any further

further on the other which has been above discussed, than may be really compatible with the preservation of the present Indian system.

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed)

EDWARD PARRY,

CHARLES GRANT.

The Rt. Hon. Robert Dundas,
&c. &c. &c.

At a Secret Committee of Correspondence,

The 28th February 1809.

The Chairman and Deputy Chairman reported to the Committee, that in consequence of an invitation from the President of the Board of Commissioners, they had yesterday an interview with him, in which he discoursed with them on the present state of the negotiation for the renewal of the Company's Charter. He inquired, in the first place, whether the Company would have occasion to apply to the Public for pecuniary aid in the course of the present year. To this inquiry the Chairman and Deputy answered, that from an estimate lately made up of the Company's receipts and payments, till the month of January 1810, it appeared probable they might be able to do without any public assistance till that period; but that this could not be positively affirmed by the Chairs without further and more certain investigation. Mr. Dundas then said, that if the Company were not under a necessity of coming to Parliament this session on the score of their finances, he thought it would be expedient to delay the agitation of the subject of the Charter in Parliament till next session, because the Committee of the House of Commons for inquiring into the state of the Company's affairs, recently re-appointed, being about to examine into all the great branches of those affairs, which would necessarily engage the public attention on the renewal of the Charter, it would be expected by the House, that the reports of that Committee should be submitted to them, before the question of the renewal was brought forward, and from the number and weight of the subjects to be investigated, it would be impracticable to report upon them, soon enough to afford sufficient time to the House to

go through the consideration of them in the remainder of the session: it was, therefore, Mr. Dundas's opinion, that it would be advisable to postpone the agitation of the question until next session; but before he fixed his determination, he wished to receive the sentiments of the Chairs and the Committee of Correspondence on this important point, and those sentiments would probably influence him in shaping his answer to the last letter of the Court, dated 13th January 1809, on the renewal of the Charter. The Chairman and Deputy Chairman beg leave to state, that they, in reply, expressed their opinion to be clearly in favor of proceeding with the business of the Charter this session, if it should be practicable for the Committee of the House to make the requisite reports in due time.

The Committee having deliberated on this communication, are of opinion, first, that it will be necessary to form as accurate an estimate as possible of the home finances of the Company for the current year; secondly, that it is very desirable the renewal of the Company's Charter should be brought forward in Parliament this session, even if the Company should stand in need of no pecuniary aid; but, thirdly, that if the Select Committee cannot prepare their reports in due time, and His Majesty's Ministers deem it proper to wait till next session, the Court must, of course, acquiesce; yet in the wish and hope, that if any circumstances should occur in the course of the present session, favorable to the agitation of the measure, it may still be brought forward; and if not in this session, as early as possible in the next; to which end the Committee will be very ready to proceed with the President of the Board of Commissioners in the discussions already commenced.

LETTER from the CHAIRMAN and DEPUTY CHAIRMAN to the Right Honorable ROBERT DUNDAS.

(Private.)

Sir, *East-India House, 5th December, 1809.*

From the conference the Chairs had the honor to hold with you on the 13th of February, on the subject of a
renewal

renewal of the Company's Charter, we were given to understand, that although His Majesty's Ministers did not deem it expedient to bring that subject under the consideration of Parliament in the session then proceeding, it might, in their opinion, be proper to prepare for the agitation of it in the next following one.

We now, therefore, by the authority of the Committee of Correspondence, whom the Court of Directors have empowered to conduct the details of negotiation on the subject in question, beg leave to state to you, that, in their opinion, it is desirable the discussion concerning the renewal of the Charter should be brought on in the ensuing session, both on account of the general situation of the Company's affairs, and also on account of the particular pressure on their finances (arising chiefly from the transfer of certain sums of the Indian debt to England) which we have already had the honor to represent to you and to Lord Harrowby, and which renders necessary such an application for public aid, as may, of itself, be expected to lead to a general consideration of the Company's affairs.

We therefore take the liberty to propose, that the discussions between you and the Court, on the subject of the Charter, be resumed, from the point at which they were left by the letter the Chairs addressed to you, under date the 13th January last.

We have the honor to be, Sir,

Your most obedient humble servants,

(Signed)

CHARLES GRANT,
WILLIAM ASTELL.

The Rt. Hon. Robert Dundas,
&c. &c. &c.

*LETTER from the Right Honorable LORD VISCOUNT
MELVILLE to the CHAIRMAN and DEPUTY CHAIR-
MAN, dated the 17th December, 1811.*

Gentlemen, *India Board, 17th December, 1811.*

Understanding from you, that it is the wish and opinion of the Court of Directors, that a proposition should be submitted to Parliament in the course of the next session, for continuing to the East-India Company,
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for a further term, their privileges of exclusive trade and the government of the British territorial possessions in India; it will be necessary, before I can proceed with you to the discussion of that question in all its details, that certain preliminary matter should be again brought under your consideration.

In a letter which I addressed to the Chairman and Deputy Chairman, on the 28th December 1808, the outlines of such a system, in regard to the trade between this country and the East-Indies, were stated, as His Majesty's Government at that time were willing to propose to Parliament. In a reply to that letter, dated the 13th January 1809, detailed reasons were urged, for the Court of Directors declining to "advise their constituents to seek a renewal of their Charter, on conditions which" (as asserted by the Chairman and Deputy Chairman) "would despoil it of all its solid advantages, deprive the Company of their most valuable privileges, and incapacitate them for performing for themselves and the nation, the part hitherto assigned to them in the Indian system."

I do not feel it requisite, in this stage of the business, to enter upon a minute examination of the arguments from which that conclusion was drawn. Many of them have reference to possible dangers, which might arise from a system of trade wholly unrestricted; against which dangers, however, it was expressly admitted in my letter, that it would be essentially necessary to guard. A considerable portion of their reasoning, also, would lead to the inference, as a general proposition, applicable to all cases of foreign and distant trade, that a monopoly was more beneficial to both countries than an unrestrained commerce; and that the facilities intended to be afforded to private trade with India, by the Act of 1793, were inexpedient and impolitic. There are several statements in the letter, in which I fully concur; but it is unnecessary to advert to them at present, because, if the Court of Directors adhere to the above-mentioned determination, I cannot hold out to you the least expectation, that His Majesty's Government will be disposed to depart from the proposal contained in my letter, or that they will concur in any application to Parliament, for the continuance of a system of trade, conducted under all the restraints now imposed upon it, and for the permanency

manency of which the Court of Directors have so strenuously contended. If they are willing, on the other hand, that the ships as well as goods of private merchants, may be admitted into the trade with India, under such restrictions as may be deemed necessary, I shall be ready to discuss with you all the other details of the system.

There are two points, however, of considerable importance, which are adverted to in the above-mentioned letters, and on which it may be advisable that I should state to you shortly what occurs to me.

The first relates to the transfer of the Company's army to the Crown; a measure which has been frequently suggested by persons intimately acquainted with the military concerns of the Company, and whose opinions are entitled to great consideration. It is impossible, however, not to admit, that several weighty objections to such a change are stated in the letter of the 13th January 1809. Events which have since occurred must, also, have an influence in deciding this question, and may possibly suggest the expediency of adopting other measures for promoting the discipline and efficiency of the army in India. Further discussion on this subject may be deferred till a future opportunity, and any arrangements which may be deemed proper can be carried into effect, without having recourse to special legislative enactments.

The other point to which I allude, is the proposition for enabling the Company to meet the heavy demands which were then expected, and which, to a certain extent, have since come upon them, by the transfer of their Indian debt to this country. All uncertainty, as to the possible amount of those demands, is now removed; and the period, I should hope, is arrived, to which, during some years, we have looked forward with anxiety, for providing out of the Company's own resources, without any pecuniary aid from the Public, the means of enabling them to satisfy all the claims of their Indian creditors. The sanction of Parliament will probably be necessary for carrying into effect any arrangement for that purpose; and if the Court of Directors are willing that these discussions, on the renewal of the Charter, shall proceed, in so far as relates to the question of the trade, on the principle to which I have adverted, I shall be ready to receive

receive from you any suggestions you may have to offer on the subject of the debt, and on the mode by which you propose that funds for its liquidation shall be provided.

I have the honor to be, Gentlemen,

Your most obedient humble servant,

(Signed)

MELVILLE.

The Chairman and Deputy Chairman
of the East-India Company.

LETTER from the CHAIRMAN and DEPUTY CHAIRMAN to the Right Honorable LORD VISCOUNT MELVILLE.

My Lord, *East-India House, 4th March 1812.*

We duly received and laid before the Court of Directors your Lordship's letter of the 17th of December last. We trust that the great importance of the matter contained in it will explain, in a satisfactory manner, to your Lordship and to His Majesty's Government, why an answer has not been prepared at an earlier period.

By that letter we think it is to be understood, that His Majesty's Ministers have made up their minds, not to hold out to the East-India Company an expectation of their being disposed to concur in an offer to Parliament of any proposition for the continuance of the present system of trade with India, at the close of the term limited by the Act of 1793, which is now nearly expiring, without a previous consent, on the part of the East-India Company, as the basis of such concurrence, that the trade with India shall be extended to the ships, as well as goods of private merchants, under such restrictions as may be deemed necessary: but that His Majesty's Ministers are of opinion, with respect to the subject of the Indian army, that the idea which was held out in your Lordship's letter of the 22th December 1808, relative to the transfer of the Company's army to the Crown, will not be contended for; and that, upon these grounds of understanding, your Lordship will be prepared to receive from the Court of Directors any suggestions which they may have to offer on the subject of the Company's debt, and upon the mode by which the Court propose that funds for its liquidation should be provided.

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From the terms in which the first proposition, respecting the trade with India, has been brought to the notice of the Court, they conceive that it is intended, on the part of His Majesty's Government, to preclude the Court from any further agitation of a question already so fully discussed. The Court, indeed, cannot avoid considering this as the obvious interpretation of your Lordship's letter, respecting a point upon which, perhaps, it might be out of their power to offer any arguments, not contained in the letter of the Chairs to your Lordship, of the 13th of January 1809.

Whatever opinion, therefore, the past experience and daily observation of the Court may have justly induced them to form upon this subject, or however incontrovertible they may believe many of the arguments to be, that are made use of in the letter of the Chairs to your Lordship, to which they have referred, they think it their duty to state, that if this alteration be made an indispensable condition, on the part of His Majesty's Ministers, of their proposing to Parliament the renewal of the Company's privileges, the Court will, though reluctantly, offer this measure to the consideration of the Proprietors, with whom alone the power rests of consenting to such a fundamental change in the constitution of the Company. But they must, at the same time, beg leave, in the most unequivocal manner to declare their conviction, that though this alteration may, and probably will, be attended with many serious inconveniences to the whole frame of that Government, which, whatever opinion may have been formed of its imperfections, has, beyond all dispute, acquired and maintained for Great Britain a paramount, and almost undisputed sovereignty in the East, it will not give to the nation those commercial advantages, which it has been the habit of many of the commercial interests of this Country to contemplate.

The Court, however, hope it will be understood by your Lordship, that they have entertained this opinion, not upon the narrow, and now justly exploded ground, which they are sorry to see has been imagined by your Lordship to exist, that the Company have ever considered a monopoly to be more beneficial in all cases of "*foreign and distant trade, than an unrestrained commerce,*" but upon the conviction with which they have been impressed, that

that an exclusive trade with India is the only one really applicable to the maintenance of the public interests with that country, interwoven as that trade is with the very frame and integrity of those possessions, and resting, as it does, upon many highly important considerations, which are, in no wise, applicable to other commercial establishments.

In support of these opinions, the Court beg leave to enclose abstract copies of the Accounts (A and B), which have been called for, and laid before the Committee of the Honorable House of Commons upon East-India Affairs, established in 1808, and continued to the present time, which they imagine will afford a fair representation of the trade in bullion and in goods carried on with India, as well by individuals as by foreign nations; and these accounts will, they trust, establish, in a conclusive manner, the correctness of the sentiments entertained by the Court respecting this trade.

In communicating, however, those sentiments of reluctance, by which the determination of the Court to submit the proposition in question to the Proprietors of East-India Stock is accompanied, the Court hope it will be clearly understood, that this determination arises from a presumption, that such military powers as are now vested in the Company will be left unimpaired, which can alone induce them to entertain an expectation of their being able, in a manner satisfactory, either for the Company or the Public, to perform the part which has hitherto been assigned to the Company in the Government of a distant empire; and also, that such regulations will be adopted, as will prevent the highly dangerous intercourse of Europeans with the East; and that such arrangements will be made, in respect to pecuniary matters, as will enable the Company to meet with confidence the present state of their affairs. The Court also hope, that in the extension of the trade which the Company now enjoy, His Majesty's Ministers have not had in view the hazardous experiment of dispersing, over all the ports of England and Ireland, a trade now brought, with so much advantage, both to the Company and the Public, to the single port of London.

If the private intercourse with India should, in future, be extended, it may naturally be expected, that upon the return

return of peace, a number of British seamen will be thrown out of employ ; and the Court are apprehensive that such an intercourse, carried on through the medium of Indian ships and Indian sailors, relaxing as it would do the spirit of the navigation laws, which have always been considered to be the basis of the maritime strength of this country, may be viewed by the nation with extreme alarm, and will probably give rise to many disorders. The Company's papers and offices might furnish material information, by which the relation of the Indian trade with the navigation system could be appreciated, and the Court, if it should be thought likely to be of public utility, are ready to have that information collected ; but without such call, and without pressing their reasons at length, either upon your Lordship or the other Members of His Majesty's Government, they will content themselves with the declaration they have already made of their opinion upon this subject.

The Court are desirous of taking this opportunity to offer some remarks, and to answer, in a cursory manner, part of those public accusations, which have been so assiduously urged against the East-India Company, and against the further continuance of a system, which, they hope, will appear to rest, not upon the grounds of individual interest, but upon the firm basis of national advantage.

Whatever opinions the Court may deliver, upon a subject in which they are manifestly interested, will doubtless be received with circumspection ; but the Court think, that they may be allowed, and with justice upon the present occasion, to assert, that the leading disposition of their minds is, to preserve the empire obtained in India to the parent state.

The first, and the most prominent of the charges, which have, at various times, been brought against the Company, is the repeated calls which they are accused of having made upon the public, for money for the prosecution of ruinous concerns ; as if they had dissipated large sums in useless and improvident undertakings. Upon this head it may be sufficient for the Court to observe, that their commercial affairs (and to those alone was the Company's management restricted) have been invariably attended with success, as they are prepared to shew, if the proof should be called for ; and that these advantages

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have been sufficient to allow of a moderate dividend to the Proprietors of East-India Stock. Over and above this dividend, a surplus sum has been applied, arising from this source, towards the extension of that territory, the acquisition of which has been under the immediate direction of His Majesty's Ministers.

But the Court are persuaded, that the magnitude of the affairs which the Company have had to manage, has been little known and little attended to, otherwise it would, at once, have been seen, that one of the principal difficulties with which the Company have had to contend, is a capital, not in any respect equal to the great extent, variety, and importance of those affairs.

The disbursement of the Company upon the single article of commerce in goods and wares, &c. or of articles necessary for its management, a disbursement of sums going from and returning to the Company, from one moment to another, was, at the close of the year 1811, not less than about £14,847,678

To this must be added, the amount of advances in India and at home, for stores of various kinds, applicable to the purposes of Government, and in constant use for military equipments, &c. ; of cash, arms, &c. ; and of debts due to the Company from various states and princes, &c. ; and other articles, making, at the close of the Indian year 1810, about 21,282,278

If to these sums be subjoined the absolute expenditure made by the Company, for the acquirement of a territory, with forts, ammunition, &c. and the actual purchase of many factories and territories, building of docks, purchase of forests, &c. including a considerable sum which has been paid by them, at various times, to the Public, or disbursed for expeditions, and the maintenance of captures afterwards surrendered up to the enemy, viz..... 15,052,170

They form altogether an aggregate of £51,182,127
Aggregate

Aggregate disbursements brought forward £51,182,127

The capital of the Company is:—

In money advanced by the ad-
venturers, about £7,780,000

And they receive from the aid
of bonds at home 7,000,000

And from other contingent
credits, at home and abroad,
about 7,787,953

Together 22,567,953

Leaving a balance of £28,614,174

Constituting, at this moment, a permanent debt in India
and in Europe. (See C.)

This aggregate of £51,182,127, a part of which sum only has been employed upon the territorial acquisitions of the Company, forms an outlay, beyond the capital of the Company, of so large an amount, as to make it more matter of wonder, how the Company have hitherto been able to carry on the concern at all, than to render it extraordinary that they should have been constrained, respectfully and at various times, to represent the urgency of their affairs, and to press upon the Public for the mere return of those sums, which had been fairly expended by the Company abroad for the public service; a return which has never yet been granted to the Company, to the extent to which, in justice, it ought to have reached. In every war which has taken place since the Company became possessed of the territorial acquisitions, large sums of money have been expended in capturing the settlements of the French, Dutch, and Danes, and heavy expenses incurred in keeping the same, till the political views of the Public occasioned these settlements to be restored, in return for other objects, in which the Company had no particular interest. The Company have also been compelled to pay part of the expense of capturing and maintaining an island, afterwards reserved for the exclusive benefit of the Crown; to disburse a considerable sum for a force, of which the Public have derived all the benefit at home; and even to contribute to the Egyptian expedition, the whole of which expenses the Company have always thought ought to have fallen upon the State.

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This large and necessary outlay, in fact, now constitutes the source of the Company's embarrassment. A considerable part of the money raised in India upon periodical loans, to meet this outlay, has (as your Lordship well knows) by the terms of these loans, which made them payable, if required, in England, and in consequence of a general reduction of interest from eight to six per cent., been at once thrown upon the Company for immediate payment in Europe; a sum which, without the aid of Parliament, it is impossible for the Company to discharge.

Of this large expenditure, sanctioned, and in many cases specifically directed by the Ministers of the Crown, it may with justice be asked, what part has been incurred for the partial or exclusive advantage of the Company? —It is evident, that the whole concern has been begun and continued by private exertions alone; nor have the Proprietors received, by any means, an adequate recompence for those exertions: they have scarcely derived more benefit than the common interest of money. And if India be an object of regard to the world, the Company may have the satisfaction of thinking, that they, at their own risk and expense, have rescued it from contending Nations, and may claim the merit of having laid it at the feet of their country; acquired and preserved, it is true, at a great pecuniary expense, and by such abilities and such exertions, both civil and military, as not only to reflect the highest credit upon the East-India Company, but also to raise, as the page of history will testify, the national character. They venture to hope, that when all the great political relations of this acquisition are considered, the price paid for it will not be deemed as out of proportion to its intrinsic value.

The wisdom of Parliament will, the Court make no doubt, be applied to preserve what has been so acquired, and finally do justice to those, at whose risk it has been obtained; and not be induced to barter positive, and very large immediate advantages, against speculative notions and theoretical plans.

In the second place, it has been often urged, that the Company have been favoured, during these exertions, with an exclusive trade, and that the nation has thereby lost an opportunity of extending their commercial enterprises over a large quarter of the globe. It is true, that
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the Company have been favoured with this exclusive trade; but it may fairly be asked, would India have belonged to Great Britain if this exclusive trade had not existed? That this trade would have been of greater magnitude in the hands of individuals, is yet a matter that remains to be proved: but it is obvious, that during part of the above period, *viz.* from the year 1768 to 1812, the Public have received, in direct contributions from the Company, a sum not falling short of £5,135,319, as will appear by the accompanying Account (D).

With respect to the immediate produce of this trade to the Public, the Court believe it will bear a comparison with that arising from any other distant possession. It produced last year to the Public the large sum of £4,213,425 (E), *viz.* in customs £759,595, and in excise £3,453,830; and though this return to the Public be larger, as the Court have reason to think, in respect to the capital employed, than the return from any other trade, it has, at the same time, been collected with a facility unknown to other concerns; an advantage which has been obtained, partly by the progressive enactment of regulations the fruit of many years experience, and partly by the concentration of the trade in a single port, and the prevention of smuggling, which has been the consequence of it.

But what has never yet been fairly estimated in the existence of the East-India Company is, that the whole of these returns have been brought into the exchequer of the Public, without the Public having been called upon for any direct contribution for the preservation of the source from whence they have had their rise, whilst the possessions of the Crown, in every quarter of the globe, have drawn from them a considerable sum for their support in troops. What has been saved to the State has thus, the Court conceive, been gained by the Public, and would amount, as the Court are satisfied, in only twenty years, to a sum of a very great magnitude. From the Navy, indeed, the East-India Company have received important assistance; but such assistance, it must be recollected, has been afforded to them only in common with the rest of His Majesty's subjects.

That the trade of the Company has been highly beneficial to the Public, in affording a nursery for seamen in time of war, and employment for them in time of peace, and

and that the Company's maritime service has contributed materially towards those benefits, cannot, the Court apprehend, be doubted; nor that the fortunes of individuals, acquired either in the service of the Company, or by their industry and exertions under the Company's protection, have gradually contributed to the accumulation of that public stock of national wealth, which has enabled this country to stand, almost alone, against the united exertions of nearly all Europe.

Having offered these cursory observations upon matters of such obvious importance, we are directed by the Court to state, that as the pecuniary arrangements necessary for the support of the Company cannot, with propriety or with effect, be made the subject of correspondence, they beg to refer these points, as well as all those of inferior detail, of which there are a great many, to a personal conference between your Lordship and the Deputation of the Court, which had the honor to wait on your Lordship this morning.

We have the honor to be, My Lord,

Your Lordship's most obedient humble servants,

(Signed) JACOB BOSANQUET,
HUGH INGLIS,

The Rt. Hon. Lord Viscount Melville,
&c. &c. &c.

*LETTER from the Right Honorable LORD VISCOUNT
MELVILLE to the CHAIRMAN and DEPUTY CHAIR-
MAN.*

Gentlemen, *India Board, 21st March 1812.*

I have delayed answering your letter of the 4th instant (received the 6th) until I could transmit to you, at the same time, replies to the several propositions brought forward by the Deputation of the Court of Directors, at our conference on the 4th instant.

In submitting to you these observations, however, I beg to be distinctly understood, as conveying to you only the present sentiments of His Majesty's Government on the several points to which the propositions relate. Public discussion on such an important question, may possibly produce an alteration of opinion on some of the details; and though the subject has been fully considered, it may be deemed necessary,

cessary, in the further progress of the measure, to propose, on some points, regulations of a different description from those which are suggested in the enclosed observations.

The Court of Directors are perfectly correct in supposing that it is now, as it has been for a considerable time past, the fixed intention of His Majesty's Government, to withhold their concurrence from any proposition which might be submitted to Parliament for continuing to the East-India Company their privileges of exclusive trade on their present footing. It is unnecessary now to discuss, whether the provisions of the Act of 1793 (by which the Company's monopoly was so far relaxed, as to admit the goods of private merchants to be conveyed in the Company's ships) have in any degree fulfilled the expectations or intentions of the Legislature. It will not be denied, that the facilities granted by that act have not been satisfactory, at least to the merchants, either of this country or of India. They have been the source of constant dispute, and they have even entailed a heavy expense upon the Company, without affording to the Public any adequate benefit from such a sacrifice. You will do me the justice to recollect, that in all our discussions on this subject, both recently and on former occasions, the admission of the ships of merchants in this country into the trade of India, in concurrence with those of the Company, has never been urged as a measure, from which much immediate benefit would, in my opinion, be derived, either to the country or to the individuals who might embark in the speculation; and I certainly am not without considerable apprehension, that, at least on the first opening of the trade, the public expectation, as to the British territories in India affording any considerable outlet for British manufactures, beyond the amount of our present exports, may be disappointed. On that admission, however, and on the necessity of guarding against the unrestrained intercourse of Europeans with the territories of the Company, or of the native States in India (in which also I fully concur), nearly the whole of the arguments adduced by the Court of Directors against any opening of the trade are founded. But it must be recollected, that in determining the question, as to continuing the whole or a part of the Company's monopoly, it will be the duty of Parliament to consider, not merely whether it may be safe to prolong it, but whether it may be unsafe to abridge or abolish it. As far as relates to the trade with India, and several other countries included within the limits

of the Company's Charter, the Court do not appear to have succeeded in establishing the proposition, that any detriment will arise to the public interest, either in this country or in India, or ultimately even to the interest of the Company themselves, from the introduction of private adventurers. If the Company carry on their trade more expensively and with less activity and industry than private individuals, it is unjust to the country; as well as to the inhabitants of British India, that the exclusive monopoly should be continued; and in such a state of things, the trade is more likely to be advantageous to the country, and beneficial to the individuals in their hands, than in those of the Company: but if the latter shall conduct it with skill and enterprize, and with due and unremitting attention to economy, the extent of their capital, and the superior facilities which they must continue to possess, of providing their investment in India at the cheapest rate, will undoubtedly afford them the means of successful rivalship with all other competitors.

In adverting, in your letter of the 4th instant, to the statement contained in mine of the 17th December, on the proposed transfer of the Company's army to the Crown, you do not appear to have understood accurately the purport of my suggestion. I entertained no doubt, as to the expediency of continuing to the Company's Governments in India the supremacy of their military, as well as civil authority: but though various regulations may possibly be necessary, with a view to promote the discipline and efficiency of the army in India, I am not aware, that any legislative enactments are requisite, except as to the amount of force which His Majesty may be empowered to maintain in India, at the expense of the Company, and perhaps also some provisions, in regard to the relative powers of the Board of Commissioners and the Court of Directors.

In your letter of the 4th instant, you advert to the question as to how far it may be expedient to admit into the trade with this country, ships built in India and manned with Indian seamen. This is undoubtedly an important consideration, as it involves in it, to a certain extent, a departure from the principles on which the navigation system of this country has hitherto been conducted. As far as the East-India Company is concerned, it will probably be necessary to leave the matter on its present footing, during the continuance of the war; but if the trade with India is to be opened to all British ships, in the manner already pointed out, there

there seems to be no sufficient reason for breaking in upon the system of our navigation laws, by permitting any other than British ships, with a due proportion of British seamen, to import colonial produce into the United Kingdom.

I have not thought it requisite, in this letter, to trouble you with any observations on several points adverted to in your's of the 4th instant, which are also noticed in the enclosed paper of hints and of replies to the several propositions. I shall abstain, also, from any remarks on the calculations detailed in your letter, and which are introduced more with the view, as I conceive, to vindicate the Company in their past management of the exclusive trade to India and the government of their territorial possessions, than to any practical results to be derived from your statement, in relation to the matters at present in discussion between His Majesty's Government and the Court of Directors. The Committee of the House of Commons on East-India Affairs have already submitted to the House detailed statements on that part of the subject, and in any further reports which they may present they will probably complete the investigation.

I am, Gentlemen,

Your most obedient humble Servant,

(Signed) MELVILLE.

To the Chairman and Deputy Chairman
of the East-India Company.

<p>HINTS submitted to the Consideration of the Rt. Hon. LORD MEL- VILLE by the DEPUTA- TION of the COURT of DIRECTORS, the 4th March, 1812.</p>	<p>LORD MELVILLE'S Ob- SERVATIONS on the Hints submitted to his Consideration by the DEPUTATION of the COURT of DIRECTORS, 21st March, 1812.</p>
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That the renewal of the Charter shall proceed upon the basis of the Act of 1793, and that no greater extension of the trade shall be granted than what was allowed by that Act; but the Deputation are ready to re- commend

commend to the Court of Directors, and ultimately to the Court of Proprietors, to admit such modifications as may be deemed necessary to give greater facilities to the private trader.

1st. No British or Indian ship to sail, directly or circuitously, from a British port in Europe to China.

2d. No British subject to be permitted to reside in China, without the Company's licence.

3d. No goods, the growth or produce of China, to be imported into any of the ports of the United Kingdom, except by the East-India Company.

4th. The power of levying duties in India upon British subjects, and the subjects of foreign nations, to be continued to the Company, upon the footing on which it at present exists; and the same power, with respect to British subjects, to be extended to the districts within the jurisdiction of the courts of Calcutta, Madras, Bombay, and Prince of Wales Island.

5th. Saltpetre to be considered as a political article, and to be confined exclusively to the Company.

1st, 2d, and 3d. It is deemed advisable, with a view to the security of the revenue and to other objects connected with the trade to China, to leave it on its present footing, and to guard, by proper regulations, against any encroachment on that branch of the Company's exclusive privilege.

4th. This proposition ought to be acceded to; with the reservation, however, that the Governments in India ought to be restricted from imposing new duties, without the previous sanction of the authorities in England.

5th. The Company are understood to have, in some degree, the power of regulating the internal trade of saltpetre in India; it appears, therefore, to be scarcely necessary to impose any other restrictions on the exportation of saltpetre from India, than such as may be deemed

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Observations.

6th. The whole of the Indian trade to be brought to the port of London, and the goods sold at the Company's sales, and to be, as at present, under the Company's management.

deemed expedient for political objects, especially in time of war.

6th. The adoption of the regulation suggested in this proposition, will probably tend to the security and advantage of the public revenue, in collecting the duties on all articles imported from the East-Indies and China, as well as other countries to the eastward of the Cape of Good Hope.

7th. The three per cent. now paid to the Company by the private traders, for the warehousing and management of the private trade, to be increased to five per cent.

7th. The Company ought at least to be indemnified from the charges incurred by this management.

8th. No private ship to be permitted to sail for India, except from the port of London.

8th. There does not appear to exist any sufficient reason for preventing ships from clearing out for the East-Indies from other ports of the United Kingdom besides the port of London.

9th. No ship to be permitted to sail, except under a licence from the East-India Company. Ships obtaining this licence, to deliver one copy of their journals at the East-India House; and the licence to contain such clauses, as may be likely to prevent an unlimited or improper intercourse of individuals with India.

9th. It will be necessary, either by the regulations suggested in this proposition, or by others of a similar description, to guard against the evil therein described.

10th. Fire-arms, military and naval stores, to be prohibited articles.

10th. It will probably be necessary to regulate the exportation of military stores to the

11th.

11th. Existing restrictions, with respect to the article of piece goods, to be continued.

12th. It being desirable, as well for the Public as for the Company, that the quality of the silk grown in India should not be deteriorated, it is submitted that this article be confined to the Company.

13th. The ships of private persons to be subject to the same regulations in respect to convoys, &c. as those belonging to the Company.

14th. No private ship to be permitted to sail, either from Great Britain to India, or from India to Great Britain,

Observations.

the East-Indies, and also of naval stores in time of war.

11th. It is understood that the object of this proposition is to secure to the manufacturers of piece goods in India the continuance of regular and constant employment, under the same system of local management, for their benefit, which prevails at present. If that object is likely to be attained, without continuing the restrictions mentioned in this proposition, it certainly would be desirable that they should cease, except in so far as it may be necessary to regulate the importation of Indian piece goods, with a view to the protection of British manufactures.

12th. As no such restriction exists at present in the importation of silk by private merchants, and as the reasons which have hitherto been adduced, on the part of the Court of Directors, for establishing such a regulation, though entitled to much consideration, do not appear to be conclusive, it will scarcely be deemed expedient to agree to this proposal.

13th. This suggestion appears to be perfectly reasonable.

14th. It is understood, that this proposition is founded on a principle of guarding against the dangers to which vessels of

Hints.

tain, of a less burthen than four hundred tons.

15th. The Company to be subject to no obligation with respect to Exports to India, except in common with the private traders.

16th. The Lascars and Chinese sailors brought home in private ships to be placed under proper regulations. Not, upon any account, to be suffered to wander about the streets of London. Good treatment to be secured to them, and the Company to be enabled, by some summary process, to recover the expences, to which they shall be subjected, in the event of neglect on the part of the owners of such ships in these respects.

17th. The Company to be indemnified for their unexpired engagements for extra shipping, provided for the accomodation of the private traders.

18th.

Observations.

of less burthen than four hundred tons would be exposed on a voyage to the East-Indies, and also of providing for the security of the revenue, which might be affected by permitting importations in smaller vessels. These reasons, though entitled to due consideration, do not appear to be sufficiently strong to justify the proposed restriction, or the making a distinction, in that respect, between ships trading to the East-Indies and to other countries.

15th. This seems to be reasonable.

16th. It will be necessary to provide, by proper regulations, for the care and maintenance of these persons, and for their return to the East-Indies.

17th. This proposal would be wholly inadmissible, unless it were limited to such unexpired engagements as do not extend beyond March 1814, when the Company's present term of exclusive privileges

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18th. An unrestrained intercourse with India to be prevented, and the existing restrictions, with respect to residence in India, to be continued.

19th. The number of His Majesty's forces in India to be in future maintained by the East-India Company to be now fixed, and any troops sent beyond that number (except at the express requisition of the East-India Company) to be at the charge of the Public.

20th. The Company to be released from any future account with the Pay Office, and to be henceforward charged, either so much per regiment of a given force, or so much per man.

21st. The present heavy current and prospective demands of the Pay Office against the Company to be arranged upon some footing of general equity, and some advancement in settling this account

villages will expire; but the public may fairly look to the Company to bear this burthen, as a compensation, to a certain extent, for the continuance of the exclusive trade to China.

18th. It will be indispensably necessary, for the purpose of guarding against the inconvenience herein alluded to, that the existing restrictions shall be continued, with such alterations as may be requisite, in the new system of trade.

19th. The number of His Majesty's forces to be maintained by the East-India Company may, without inconvenience, be limited, as herein suggested. It will be necessary, however, in consequence of the increased extent of the British territories in India, since the passing of the Act by which the number is at present regulated, that a considerable addition should be made to it.

20th. It will be necessary, that the present system of accounting between the East-India Company and the Paymaster General should be abolished, and new regulations enacted.

21st. These demands must necessarily be arranged on the principles suggested by the Committee of the House of Commons, who have reported upon the subject of the accounts herein referred to.

*Memo.**Observations.*

account made to the share which the Company have been obliged to bear in foreign captures not retained by them, and to their having been constrained to maintain an European and native force, larger than what was required for the defence of the Peninsula, and other heavy expences.

it were necessary or proper, in discussing the future regulations which it may be deemed advisable to establish, respecting the affairs of the East-India Company, there would be no difficulty in demonstrating, that the amount of force maintained in India has not gone beyond what was requisite for the defence and security of the Company's possessions, and for other operations, intimately and inseparably connected with those objects.

22d. The Proprietors to be secured, as at present, in the receipt of their dividend of ten and a half per cent., upon the faith of which dividend the capital in 1793 was raised.

22d. The Proprietors ought to be secured, as at present, in their dividend of ten and a half per cent.

23d. The whole of the surplus of the East-India Company to be appropriated to a diminution of their debts, until the debts be reduced to the sum of ten millions sterling.

23d. The whole of the surplus funds of the East-India Company, at home and abroad, ought to be applied, in the first instance, to the reduction of debt, till it is reduced in India to the sum of ten millions, and the bond debt at home to the sum of three millions, after providing for a proportionate increase of the capital stock of the Company, if they shall think fit to avail themselves of the power now vested in them by law to that effect.

24th. The sums required by the East-India Company to liquidate the debt transferred from India to Europe, and becoming payable in

24th. It is intended to submit to Parliament a proposition to that effect, or similar in substance.

1812 and 1813, to be funded by the Minister, the interest of which shall be regularly paid into His Majesty's Exchequer by the Company, together with any such percentage, for the gradual liquidation of the capital or redemption of the fund, as shall be deemed proper by His Majesty's Ministers.

The twenty-fifth article did not form a part of the propositions submitted to Lord Melville, but is now introduced by the Committee of Correspondence, and is as follows, *viz.*

25th. That, in order to give the utmost possible extension to the commerce of private merchants, and at the same time to secure the Company's exclusive trade to and from China, private ships be not permitted to go farther eastward than Point Romania, at the entrance of the China Seas, and to the northward not beyond the equinoctial line.

N.B. Should it be the intention of Government that private traders shall be excluded from the Spice Islands, the limits ought then to be for them not to go to the eastward of the Straits of Bally, nor to the northward of the Line.

25th. If the object advertised to in this proposition can be obtained by exclusion from the dominions of the Emperor of China, and a prohibition to import the produce of that country without license from the Company, it will be preferable to the mode hereinsuggested. There seems to be no reason for excluding the private trade from the Spice Islands.

At a GENERAL COURT of the United Company of Merchants of England trading to the East-Indies, held on Thursday, the 2d April 1812.

Minutes of the last Court of the 25th ultimo were read.

The Chairman acquainted the Court that it was assembled for the purpose of taking into consideration the papers which were laid by the Court of Directors before the General Court on the 25th ultimo.

It was then moved, and after a mature deliberation,

Resolved Unanimously, That this Court having perused the papers laid before them at the last General Court, desire to express the high sense which they entertain of the great ability, zeal, and fidelity, with which the Directors have maintained the interest of the East-India Company. They return them thanks for the powerful and convincing arguments by which they have shewn the danger which would await the British empire, from opening the trade of India, and the immense advantages which the nation has derived, in strength, revenue, territory, and character, from the capital and the exertions of this Corporation.

That although this Court will feel it their duty, on all occasions, to bow to the determination of the Legislature, they cannot but observe with extreme concern, that no proposition is suggested of an increased or further dividend, either now or hereafter, or advantage of any kind whatever, to the Proprietors of East-India Stock; notwithstanding the negotiation for the renewal of the Charter, in 1793, begun with a proposal for an increase of dividend of two per cent., which Charter opened the trade but in a limited and partial degree; and notwithstanding that, while such great and progressive advantages have been obtained for the public at large, the Proprietors themselves have made little more than common interest of their money. That now to be called upon to part with an undefined proportion of a trade thus established, and maintained hitherto at their sole expence, without any consideration for the same, seems to them to be wholly inequitable. Under these impressions, this Court confides to the Honorable Court of Directors the care of its interests in the farther negotiation for a new Charter, trusting to the justice of their fellow citizens, as well as to His Majesty's Government

and to Parliament, that they shall receive that liberal treatment, which they regard themselves as so eminently entitled to at the hands of their country.

And that the Directors be requested to report their proceedings, from time to time, to this Court.

That this Court cannot contemplate the essential change proposed in the constitution of the Company, by an unrestrained trade to and from India, without great concern and apprehension; not so much on account of the injury to which it will subject the Company in their commercial privileges and profits, as on account of the tendency which such a change must have to affect the system established by the Legislature, for the civil and political government of the Company's territorial possessions, whilst it is not at all likely to afford to the commercial interests of this country the advantages expected from it.

Should, therefore, the opening of the trade to India be the ultimate determination of Parliament, this Court cannot but express its hope, that all due care will be taken to accompany the enlargements which shall be given to individuals in the Indian trade, with such regulations as shall most effectually guard against the dangers to which those enlargements might expose the existing system of Indian administration.

Draft of a petition to the Honorable House of Commons was read

It was then moved, and on the question,

Resolved, That this Court do approve the above petition.

The Court then, on the question adjourned.

LETTER from the Deputation appointed by the Court of Directors to the Right Honorable the Earl of Buckinghamshire.

My Lord, *East-India House, 15th April 1817.*

The correspondence between the President of the Board of Commissioners, on the part of His Majesty's Government, and the Court of Directors of the East-India Company, on the subject of the renewal of the Company's Charter, having been laid before the General Court of Proprietors, we now, in consequence of the resolutions of that body,

body, propose to ourselves the honor of continuing the correspondence with your Lordship, and especially to reply to the letters of the late President, dated the 21st and 23d of March, and to his *Observations* accompanying the format of these letters.

In the first place, however, permit us to offer some remarks on the outlines of the negotiation, as far as it has hitherto advanced, and on the opposition which has begun to shew itself to certain propositions, respecting the necessity and importance of which His Majesty's Government and the East-India Company appear to have entertained similar sentiments.

It is manifest, from the letters written on the part of the Court of Directors, that they have contemplated with the utmost reluctance such an enlargement of the trade to India, as seemed to be desired by His Majesty's Ministers, because they believed that the commercial advantages expected from it to this country would not be realized, and feared that it might eventually endanger the security of the British possessions in the East. We must desire on the part of the Court of Directors, distinctly, and in the face of the country, to state this opinion, not as advanced without conviction, to serve a cause, but as the genuine result of such knowledge and experience as the Court possess, upon a subject respecting which they have better means of information, than any of those associations who are now eager to take full possession of the Eastern trade, and upon which also it is certainly material that the Public should form just ideas. We have, indeed, yet seen no arguments advanced, in answer to those reasons which the Court have offered against the opening of the trade, and particularly against the expectation of the great increase to be produced by such a measure in the exports from this country to India, and the imports thence. Lord Melville has signified his concurrence with the Court, in thinking that the public will be disappointed, at least at first, in this expectation, and though his Lordship has said, that "the Court do not appear to have succeeded in establishing the proposition, that any detriment will arise to the Public interest, either here or in India, or ultimately even to the interest of the Company themselves, from the introduction of private adventurers," we must beg leave to observe, first, that we cannot doubt, "the introduction of private adventurers," which his Lordship had in view, was less extensive than is now likely to be contended for by some portions of the public, and was connected, in his mind, with limitations

tations and restrictions in the conduct of the trade, which those who claim the largest opening of it exclude; and, secondly, that several reasons which the Court have urged, to shew that much detriment would arise from a general opening of the trade, remain unanswered, either in his Lordship's letters, or in any of the public resolutions we have yet seen. Until of late, the general language held on the subject of the Indian trade was rather that the merchants of Great Britain should be allowed to apply their industry to such branches of it, and to such ports of the Indian Seas, as the commerce of the Company did not embrace, than that they should invade the portion of the trade which the Company carried on. But now little is said about the advantages to be derived from adventures to the unexplored parts of India, and the objects likely to be most warmly contended for are not new accessions of commerce to the nation, but a transfer of much of those branches of trade, already carried on by the Company in London, to individuals in the outports. The large concessions at first required from the Company by His Majesty's Government appear only to have encouraged the merchants of the outports to make still further demands; regardless, as it would seem, of the political consequences that might ensue from a compliance with them, and apparently unaware, too, that the corporate capacity of the East-India Company is perpetual, and cannot be annulled, even if the qualified monopoly they have enjoyed were to cease.

We are confident, my Lord, it was not the intention of His Majesty's Ministers, that the East-India Company should be broken down and despoiled of those faculties, necessary to enable it to perform the important part assigned to it by the Legislature in the government of the British empire in the East; a part which probably it will be allowed to have performed well, and with more safety and advantage to the mother country, than any other system, hitherto thought of, could have done. The benefits accruing to that government by the reciprocal aids of revenue and commerce, the powers of which are united in the constitution of the Company, in a way peculiar to it, have been often seen and fully acknowledged, and were it necessary, it would be easy to enlarge upon them. These powers have now become so incorporated, that it is impossible to separate them, without essentially endangering the whole of a system that has proved in practice eminently useful. If, therefore, the commercial part of that system were now to be destroyed, the political func-

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tions exercised by the Company would be so weakened, as necessarily to bring into view questions of the last importance to the safety of the British empire in India, and of the British constitution at home.

We hence assuredly rely, that the wisdom of Parliament, and the good sense of the nation in general, will resist those rash and violent innovations upon the system of the Company, which the merchants of different towns, proceeding upon theoretical ideas, and overlooking most material facts, now appear to intend, without any certainty, even of extending the commerce of this country, but to the unavoidable detriment of its political interests abroad and its financial interest at home.

It was in contemplation of dangers less immediate and alarming than the designs now avowed threaten, that the Court so earnestly proposed, that the renewal of the Charter should proceed, with certain modifications, upon the basis of the Act of 1793, which made the Company the medium of the enlargements of private trade; but having been forced to depart from this preliminary principle, which they still maintain consults the true policy of this country, and the sacrifice of which they may observe, by the way, inflicts great injury upon all the private interests and parties engaged in the Indian trade, as established by that Act, particularly on the commanders and officers of the Company's ships, whose professional merits are universally acknowledged, the Court are, however, perfectly satisfied, from the assurances already given by His Majesty's Ministers from the beginning, that any enlargements which may be given in the Indian trade shall be accompanied with such provisions, as will guard against the dangers to which such enlargements might otherwise expose the existing system.

Several of the precautions necessary in this view were suggested in the *Hints* submitted by the Deputation of the Court to Lord Melville, on the 4th March; and upon these, and the *Observations* made on them by him, we now feel ourselves called upon further to offer some elucidations to your Lordship.

(*Articles 1, 2, 3.*) On the very important head of the China trade, permit us, my Lord, to remark, that although the *security of the revenue* is doubtless a very fit consideration for His Majesty's Government and for Parliament, yet the Company do not understand that the continuance of their exclusive privilege in this trade is rested on considera-
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tions of revenue alone, nor that it ought to be affected by any varying circumstances in that branch of the public affairs. The Company have the actual possession of the monopoly of that trade, which was given them for national purposes, and by the perpetuity of their corporate capacity must be more capable of maintaining it against the competition of private merchants, than those merchants would be to drive them out of it. But such competition would be ruinous to the public interests; for the Company already supply the nation with as much as it wants of China commodities, which are almost entirely used for home consumption, and exports woollens and metals of this country, to the amount of a million sterling annually, at a loss to themselves during war. By competition, the cost of teas, and other China articles, would be enhanced, the prices of our staples lowered there, and if individuals could possess themselves of the trade, the exports in those articles which they could not sell to profit would be lost to the country. A struggle, therefore, between the Company and individuals, could only produce ruinous consequences to both. The jealousy of the Chinese government, which now allows only one port of that vast empire for all its foreign commerce, and subjects the European residents at Canton to a confinement to their factories for six months of the year, and to banishment to Macao for the other six months, would undoubtedly take alarm at the ingress of indefinite numbers of unconnected Englishmen from Europe, and if it did not at once exclude them, would soon be induced to do so, by the disorders which would not fail to follow, and which are on the present limited scale of intercourse, prevented or palliated only, by the extreme caution and established usages of the Company's supra-cargoes. Thus the trade would be entirely lost to the country, and with it not only the export of a million of its manufactures annually, but a revenue of four millions, with the fleet of excellent ships now employed in that commerce, to the great inconvenience of the people at large, the ruin of particular classes, and the complicated injury of the state. The resort of American ships to Canton, without either hindrance from the Chinese or consequent disorder, affords no parallel to the case of an open trade from Great Britain and Ireland to China. Those Americans, few in number, carrying thither only silver, and carrying away silk cloths as well as tea, derived their reception and protection very much from the orderly English factory long established there, who have

have endured treatment from the Chinese Government, to which no representative of His Majesty could submit. We are satisfied, therefore, my Lord, that such provisions will be introduced into the new Charter, as will effectually secure this great branch of trade to the Company and the nation, in the manner it has hitherto been enjoyed.

(Article 4.) We submit, that this observation ought to run thus: "This proposition ought to be acceded to; with the reservation, however, that the Governments in India ought to be restricted from making any alteration in the rates of the duties sanctioned by the authorities in England, or that they may hereafter sanction."

(Article 5.) To the concession on this head, we wish it to be added, that the Company shall have a fair price for all the saltpetre they shall supply to the Government.

(Article 6.) As the confinement of the private trade to and from India to the port of London is an article of essential importance on the whole of the present question, involving the safety of the Company, it may be expedient that we state somewhat fully the various and powerful considerations, on which the propriety and necessity of the measure rest. These considerations relate to the usages resulting, unavoidably, from the nature of the Company, which for political, as well as commercial purposes, it is so material to preserve; from the law of the land, the existing rights of individuals; the convenience of the re-exportation of Indian commodities; and the security of the public revenue.

From the first institution of the East-India Company, they have used the port of London only, and the practice of selling their imports by public auction only, is also almost coeval with the Company.

The utility which dictated the first of these practices is obvious; a little consideration will show the other to be yet more necessary. If private bargaining and trafficking with individuals, and from day to day, were allowed in the sale of the great imports of the Company, how many doors would be open for collusion, imposition, and abuse! It would be impossible the business could go on in that way, and the very habit of it to suspicion, would be enough to destroy the confidence of the Proprietors and the public. Besides, the importations of the Company coming in fleets at stated seasons, it suited the convenience of all parties, that the sales should also be only at stated seasons, and

public, which would afford the opportunity to buyers to resort from all parts, foreign as well as domestic, to those sales.

In the ninth and tenth years of King William the Third, the Legislature interposed to prohibit the sale of East-India goods, otherwise than by public auction; and in the next year of that prince it was also enacted, that East-India goods should be sold only in London. Thus the law at present stands.

The immediate object of the legislature, in these enactments, appears to have been the security of the revenue, then appointed to be derived from the customs laid on Indian goods imported: And nothing so effectual could be devised for that security. To bring the imports to one place; to have them lodged under the keys of the Government officers; to have them sold publicly, in the presence of those officers; and, finally, to have the duties, thus carefully ascertained, collected through the medium of the Company, with hardly any charge: the whole of this practice is the most complete provision that can be imagined, against defect, fraud or expense, in realizing this branch of revenue to the public.

But if this was material in the time of King William, when perhaps the revenue from East-India goods, including China, did not exceed £100,000, how essential must it be at present to the State, when that revenue exceeds four millions!

With all the care now taken, and when London is the only lawful place of importation, it is well known that teas, shawls, silks (prohibited, for the encouragement of our own manufactures), and other articles, are at the present time, to some extent, smuggled on shore from the East-India ships, notwithstanding the penalties of the law; and when, in addition to the legal penalties, the offending parties, if the Company's servants, are liable to further fines and mulcts on all illicit trade. But the hope of evading the heavy duties will ever continue to operate on persons, who look no further than their own immediate profit or convenience.

Every deviation from the established usage would so far destroy its simplicity and efficiency, and open the way to abuses. Suppose the importations to be allowed to go only to one port, a new establishment, new expence, new trouble, would be created, and a channel opened for smuggling,

gling, fraud, and abuse. What would it be, then, if several outports were opened for the landing and sale of Indian and Chinese goods?

But this still supposes the Company, either for itself or for private traders, to be the only medium of importation. If, however, all individuals were to be allowed to import, and into all the ports of the United Kingdom, especially if it were allowed to employ ships of small burthen, which drawing little water, could run into obscure ports in the remote parts of England, Scotland, and Ireland, where would be the practicability of any safe control? Legions of Custom-House and Excise officers must be appointed, at a very great expense; and after all, where the duties are so high as they are, especially on the articles of tea, silk, and fine muslins, smuggling without end must be expected. If private ships were allowed to go to the Eastern Islands, they could find means to procure tea; and if also allowed to return to the outports, smuggling in that article would be by far the most gaining trade.

At present the duties upon East-India goods are collected and paid in London, at a very small expense to Government, and to the full extent to which they ought to be paid. This follows, because the value of the goods is ascertained by competition at the Company's sales. Were every port to have its India House, where would be this general competition? The same goods which pay the duty *ad valorem*, would be liable to one amount of duty at Fowey, to another at Dublin, to a third at Port Glasgow; all differing from each other, and from that paid at London. There would be no remedy for this inconvenience, whatever may be said by interested persons to the contrary. The endless variety of Indian commodities, renders it impossible that they should generally pay what are called *rated* duties, of so much per piece, or so much per yard. Pepper may pay a fixed sum by the pound, and sugar by the hundred weight; but the staple article of piece-goods, and many others, must ever be rated by the value, quantity being no just criterion.

It therefore follows, from what has been above observed, that were the trade to be carried to the outports of the United Kingdom, the revenue drawn from Indian goods must be greatly diminished, and the charges of collecting it greatly increased.

Let it be next inquired, what would be the effect of such a change on different interests; the persons already

possessed of valuable property employed for the Indian trade, the exporters of India commodities from this country, and on the East-India Company itself?

The City of London, in their corporate capacity, as conservators of the Thames, and all classes of persons in the metropolis, who are engaged in the building and outfit of ships, in the carriage, warehousing, sorting, buying, and selling of the Company's goods, have also a direct interest in the present discussion:

The East-India Dock Company have likewise a very great and obvious interest in keeping the Indian trade in the Port of London.

With respect to the re-export trade in Indian commodities, at least three fourths of the imports from India have hitherto been for the supply of the continental markets. The foreign buyers repose confidence in the regularity and publicity with which the Company's sales are conducted. When the trade was solely in the hands of the Company, the particulars of their cargoes were published immediately on the arrival of the ships, and distributed all over the continent. Notices of the quantities to be sold, and periods of sale, were also published for the like distribution. The sales of each description of goods were made at stated periods, twice in the year. The buyers, of course, knew the state of the market at the time of coming to the sale, and the purchases were made under an assurance, that no more goods, of such description, would be disposed of before the next sale. Hence they had a certainty of the market for six months. This established a solid confidence, which very much benefited the sales. Such confidence has, no doubt, been much weakened since 1793, when private persons were partially admitted into the trade. The chief object of the private trader being, as it always must be, to obtain prompt sales to meet the payment of bills, East-India goods are frequently resold, while they remain in the Company's warehouse, merely by a transfer of vouchers. The goods, when so sold, will produce from five to ten per cent. more, than when in the hands of individuals. This is particularly the case as to drugs, which are subject to great adulteration.

The confidence that has been entertained of the Company's regularity and fair dealing has been such, that the foreign buyers have given their orders to their correspondents in London, on the faith merely of the descriptive marks; and
 fro. goods,

goods, on their arrival on the Continent, frequently pass through various hands, before they are finally unpacked.

By the mode proposed, it is to be feared the foreign buyer will cease to be at any certainty as to his purchases and the quality of the commodities, and this may, eventually, lead foreigners to look directly to India, for the supply that has hitherto been furnished through the medium of this country.

To speak now of the effects of the proposed change upon the interests of the Company. And first, with respect to the East-India trade, properly so called, as contradistinguished from the imports from China. If the mode of private sale of Indian goods in every town in the kingdom were introduced, would not the stated and the public sales, to which the Company are restricted, be continually anticipated, and consequently the supply of the foreign markets be so also; though on the whole, these markets could not take off more? Could these sales, then, secure a general assemblage of buyers? Could it be reckoned upon, that the Company's goods would go off, as they usually have hitherto done, at the sales? Could the prices be expected to indemnify the Company, when the market should be lowered by the necessity or impatience of private importers? Could the realization, in money, of the Company's Indian imports be depended on: that realization, so necessary to the finances of the Company? and if not, how could the currency of their affairs be preserved? how could they pay for exports to India? how could they maintain the fleet of ships they now employ in their Indian commerce; a fleet so necessary for the transportation of troops and stores and warlike services in India? And if the Company's Indian commerce failed, and so much of the Indian imports were transferred to outports, what must become of many of the Company's wharfs, warehouses, and other articles of dead stock, formed at a vast expense, in consequence of this Indian trade? And where would be the benefit to the nation by the change? Would it be any thing else but transferring to Bristol, Liverpool, Glasgow, and Dublin, that which London now has? Would it be really any accession of benefit to the empire at large? And what, to look towards India, would be the effect of an unlimited trade from the outports of Great Britain and Ireland to all those regions? Would it be possible to enforce the regulations which His Majesty's Ministers think absolutely necessary, for preventing an uncontrolled intercourse

intercourse with the East, and for averting the evils that would ensue from it?

These questions, to add no more, ought to be very clearly and satisfactorily answered, before so great a change is attempted, before an order of things that has subsisted so long, and done so well, is subverted and destroyed. If great and sudden innovations ought, at all times, to be regarded with caution and distrust, surely ought those in particular, which are proposed by men for their own immediate advantage.

But what are the arguments with which the merchants of the outports may be supposed to enforce their claim? Natural right;—the freedom of trade; allowing every man to carry on his own business in his own way; the odium of the principle of monopoly; the disadvantage with which they would carry on the trade, if they were obliged to bring back their ships to London, instead of their own ports; the disadvantage to the country consumers.

To all this it may be replied, that supposing the whole true, are these arguments of weight and value sufficient to overturn the present long established system of the Company, and to endanger so large a portion of the public revenue? As to the arguments from natural right, &c., such arguments must always be limited by considerations of practical good. The only practical arguments that occur in favor of the outports, are the advantage to the merchants themselves and to the country consumers. Now what is the amount of this advantage? Let it not be forgotten, that at present it is problematical, at least, whether any great Indian trade can be established by the private merchants; that, at any rate, the chief part of Indian goods imported into England is intended for re-exportation; that London is the fittest port and mart for the foreign trade, especially since the Warehousing Act; that there is really little consumption of Indian goods in the interior of this country; and that if no great accession of trade should be brought to the country by the private merchants, then they will have sacrificed the existing system, without obtaining even the object for which the sacrifice was made.

It may perhaps be said, that the Hudson's Bay Company has public sales, and that yet there are sales on account of individuals of the same articles the Company import. But this will form no parallel case as to the Companies,
nor

nor is there any great question of *revenue* concerned. The only article imported by the Hudson's Bay Company is *furs*. The sales of this article, on private account, are also by auction, and it is believed confined to London. The whole is comparatively a small affair, and can be of no weight in the present question.

Upon the whole, therefore, it seems most certain, that on such slender grounds, with respect to advantage (and advantage as before mentioned only to be taken from London for the outports), with so little certainty of establishing any great trade to or from India, with such imminent hazard to the East-India Company and to the revenue, it would be contrary to the prudent policy which this nation has generally observed, and most unwise in itself, to venture upon so great an innovation, some of the effects of which were pointed out to the President of the Board of Commissioners three years ago (printed papers, page 30), effects, which, by his silence, he seems to have admitted: and, in a word, it may be apprehended, that they would amount to the destruction of the Company's Indian trade, their Indian commercial establishments, their Indian shipping, and finally leave the China monopoly so insulated and unsupported, as to bring that also, at length, to its fall, and with it, the whole fabric of the Company, and the great revenue now so easily realized through its medium; nor can it be at all doubted that, in such case, the China trade would also be lost to the nation.

It is not irrelevant to this subject to advert to a passage in the history of the Dutch East-India Company, under the year 1602. "The plurality of East-India partner-ships or societies, at this time, formed in Holland, creating much disorder and clashing in that commerce, the States-General summoned before them the Directors of all those Companies, and obliged them to unite, for the future, into one, to which United Company the states granted the sole commerce to East-India for twenty-one years from the 20th March 1602." They had, in consequence, several *Chambers* of East-India Commerce in Holland, as Amsterdam, Middleburgh, &c. but they were all under one united Direction.*

(Article

* See Anderson's Commerce, and Macpherson's Annals of Commerce, under 1602.

(*Article 7.*) In the time of King William, the Company were allowed five per cent. on the private-trade.

(*Article 8.*) Many remarks made upon the sixth article will also apply to this, which might have properly formed a part of it. We need, therefore, only observe here, that the permitting of ships to sail from the outports, will go very materially to injure the interests of those who were let into the Indian trade by the act of 1793 ;—to increase the danger of colonization abroad ;—and of injury to the revenue, by smuggling, at home, as well as another danger to be noticed in the next article.

(*Article 10.*) It is not only to all our Indian possessions that the exportation of military stores ought always to be prohibited, but also to the numerous islands in the Eastern Seas, inhabited by a vindictive race of people, who may be ready, not only to buy warlike stores, but to engage Europeans in their quarrels, and the sailing of ships from the outports will certainly increase the danger of these evils.

(*Article 11.*) The existing law, as to piece goods, enables the Company to confine the importation of that article to themselves. They have never availed themselves of this privilege ; but yet it may be proper to continue it, because “the regular and constant employment of the manufacturers, under the existing system of local management,” is a matter of consequence, not likely to be otherwise so well guarded, and that great importations of piece goods would operate against the home manufactures, whilst a smaller select importation would be useful.

(*Article 12.*) There is a new reason for the same restriction in favor of the Company in the article of raw-silk, because such a general competition is now to be opened against them, and because they have, at great expense in a long course of years, by means of their own establishments, brought the raw-silk of Bengal, which they export, to a high state of perfection ;—and if that article is left to the competition of individuals, who will often have to resort to the agency of indolent natives, the quality of the article may be expected materially to fall, and the silk manufacturers of this country to be much worse supplied than they are at present.

It is proper to add, on this subject, that the restriction in favour of the Company, in the article of piece goods,
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is by no means of the value it was at first, the demand for that Indian staple being now greatly diminished in this country.

(Article 14.)—Lord Melville has observed, on the reasons which he apprehends had influenced the Court, in proposing that ships of less than four hundred tons should not be allowed to sail to India, that “though entitled to due consideration, they do not appear to be sufficiently strong to justify the proposed restriction, or the making a distinction; in that respect, between ships trading to the East-Indies and to other countries:” it is therefore deemed necessary to discuss the proposition more at length.

In examining the subject of the sixth proposition, the facility which small ships would afford to smuggling, were the outports opened for the disposal of the homeward cargoes, has already been considered. In further support of the fourteenth proposition, respecting the least size of ships that should be permitted to go to India on account of individuals, the practice of the India Company, in the early part of their intercourse with the East, might be adduced, for they soon dropped the smaller class of ships for one of five hundred tons; but as this country, in its improved state of navigation and commerce, has few ships of that burthen, except those employed by the East-India Company, the limiting of ships to be now employed in the private-trade to India to four hundred tons, was supposed to afford facility to the most respectable houses, to benefit by the proposed enlargement of the trade.

Every one will admit, that there is more of respectability in the larger class of ships; and this circumstance should not altogether be lost sight of with the inhabitants of India. The impression of the superiority of our maritime strength to that of other nations, and particularly of the Americans, who speak the same language, and who navigate very small vessels to and from the ports of the East, should be kept alive; and, as a reason of State, should have its due weight in the consideration of this subject.

It is not only the respectability of the *ship* that should be attended to, but there is also a degree of respectability and responsibility attached to the character of the commander and of the officers (of whom there is a greater establishment

establishment in the larger ships). Their information in pre-eminent, particularly in those essential articles of nautical science, the variation and the lunar observations in the navigation of the Indian Seas, and to and from thence. By such men, a better discipline is established in those larger ships which suit them : the ships are also better armed, and less liable to capture, than vessels of the smaller class. The length of voyage requires, not only superior equipment and a stouter vessel, but in order to guard against contingencies of every kind, subordinate officers and their assistants are indispensable ; because, in the event of the death of the principal officers, the knowledge and skill requisite to supply their places, especially in cases of emergency, could be derived from no other quarter. Small vessels cannot have these necessary advantages ; an observation which applies, more particularly, to such petty officers as carpenters and caulkers, in respect to matters that concern the hull of the ship, and to medical men in respect to the crew.

It has been found by experience, that larger ships can be navigated at a less rate per ton than small ones : hence one of four hundred tons will require less rate of freight than two of two hundred tons ; a point of economy in the conveyance of goods, which is not to be disregarded, even in a national view. As India is concerned, the smaller vessels will multiply a description of persons in the ports and throughout the country, whose conduct may have serious effects on the peace and quiet of the Asiatic Governments, from the causes before mentioned. The minor ports throughout the country will admit of an intercourse and connexion between Europeans and the natives, which the vigilance and power of our Governments cannot discover nor control.

The ships employed in private trade should be constrained to navigate with a certain number of Europeans outward, so as to prevent, as much as possible, the introduction of native seamen to this country : and hence, for the sake of humanity, a surgeon becomes a necessary person, the employment of whom may well comport with the size of ships of four hundred tons or upwards, but not with those of two hundred and fifty or less. If the health and lives of seamen be thought of consequence to the State, the larger class of ships should certainly be preferred. If the present superior class of West-India shipping

shipping are of four to five hundred tons, where the passage is not more than six weeks, it appears at least as reasonable, that those employed in an East-Indian voyage, which may last many months, should be equally competent and formidable as the running ships, and not stand on a scale beneath those of the first class upon Lloyd's books, so that the premium of insurance upon the goods shipped may be kept at the lowest possible rate.

Whenever such enlargements, as may induce the subjects of this country to embark very large property in the Indian trade, shall be opened to them, it must be highly expedient that, for such time at least as may be sufficient for the return of one voyage, the utmost possible security, which the Legislature can devise, should be provided, in order to check such hazardous adventures as might otherwise be carried on in any description of vessel, or under the conduct of characters not sufficiently responsible, and at the risk or cost of the under-writer.

If an honorable commercial intercourse with India be the object, such wholesome regulations will promote it; but if speculations of mere chance outward, and smuggling homeward, should be in the contemplation of any adventurers, protection to the fair trader, to the East-India Company, and to the revenue, can only be secured by some efficient law, respecting the size of the ships, and their consequent equipment in stores and force, under the conduct of able and responsible commanders and crews.

(Article 16.) The regulations proposed with respect to Lascars, are only intended for a time of war. No Lascars should be brought to this country in a time of peace.

(Article 18.) The existing regulations, as to ingress and settlement of unlicensed Europeans into the Company's establishments and territories, to be continued. No British subjects to be allowed to settle in any country within the Company's limits, and not under the government of the Company.

(Article 19.) The King's forces, maintainable by the Company in India, not to exceed fifteen thousand men in all; and this number to be reduced, as may be found practicable.

(Article 20.) If the proposition made by the Company, to be henceforth charged so much per regiment of

a given force, or so much per man, be not adopted, we shall be glad to receive any specific proposition, for putting upon a clear and equitable footing the adjustment of accounts between the Pay Office and the Company. By any such arrangement, we cannot doubt, that, at least, the intricacies of the present mode of settlement, utterly unsatisfactory as it is to the Company, will be got rid of, even if the expense should not be diminished: but will it, for example, admit of any question, whether, when the Company have been charged, as they really have been, with the expense of an entire recruiting company at home, as constantly raising recruits, and whilst, in many instances, the recruits so raised have been sent, not to India, but to other quarters, the recruiting company having also been at all times available for internal service, it can come within the equity of the 127th clause of the Act of 1793, or ever could have been intended to charge the expense of such company to the Indian territories? Or is it just, that the expense of the colonel of a regiment, employed either at home or on the Continent, or perhaps on a furlough staff appointment, should be partly charged to the East-India Company, and his pay be drawn from them? As all parties, therefore, agree in the propriety of an alteration, the sooner it is made the better.

(Article 21.) The Court of Directors have already objected, and must ever object, to the arbitrary mode adopted by a Committee of the House of Commons in 1805, for the settlement of the demands of the Company on Government. We think it a clear and equitable principle, that the expense of captures made, and not retained by the Company, but transferred to His Majesty, or by His Majesty restored to the enemy, should be charged to the Public.

The ordinary pay of the Company's troops employed on such services, and especially in places out of the sphere of India, as in Egypt, should also be placed to account of the Public.

On these grounds we beg leave to propose, that the balance of demands now made by the Pay Office on the Company, be set off, by the sums which they are yet unpaid for the capture of Ceylon and the Moluccas, and for the expedition to Egypt. Even then, the settlement will be greatly to the advantage of the Public, as the Company

Company have made good to the Pay Office a sum exceeding two millions, in addition to which they have, since the year 1797, been charged for King's troops beyond the number for which the law obliged them to pay, at the average annual rate of about three thousand firelocks, besides the officers and serjeants requisite for that number of men.

(*Article 22.*) As a supplement to this article, the Court cannot help again submitting to consideration, the earnest desire and hope of the Proprietors to be exonerated, out of the general funds of the Company, from the payment of the Property-tax. The dividends of other public Companies are thus exempted; and it is but a small consideration, in the immense concerns of the Company, from which the Proprietors have, on the whole, yet derived only the ordinary interest of money, in return for all the hazards their property has run.

(*Article 23.*) The debt of which the Court of Directors meant to speak in the twenty-third proposition, was the whole of the Indian debt, part of which, to the amount of about seven millions, has been transferred to England. The observation of Lord Melville will coincide with this proposition, and the Court of Directors can have no material objection to his Lordship's proviso, respecting the reduction of the bond debt at home to three millions; but experience has shown the inconvenience of confining within narrow limits, by parliamentary regulation, the amount of this debt.

(*Article 25.*) Considering how probable it is, that private adventurers will desire to obtain a supply of the article of tea, in order to be smuggled into this country and to foreign parts, and considering also the importance of not endangering the commercial intercourse now permitted by the Chinese to the British nation, through its long established organ, the East-India Company, it is obvious, that effectual provision ought to be made, in some mode or other, for preventing both these evils; and we shall be glad to hear any propositions which were in Lord Melville's contemplation, or may be in your Lordship's, as more likely to suit that end than the suggestion we have offered. In the mean time, we feel it incumbent upon us to request your Lordship's attention to some remarks on the question of admitting private ships to the
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Spice Islands. The demand of all Europe for the spices of the Moluccas is so limited, that one or two of the Company's ships may import a sufficient quantity for the supply of it : the division, therefore of this supply among the Company and the Merchants in general of this country, will leave so little to the individuals of the latter class, as to form no object worthy of long and distant enterprize ; not to mention, that spices are now rising up in other parts of the East, which renders these islands less important than they have been. The maintenance of the Molucca Islands, which produce no valuable commodity but spices, occasions to the Company a heavy expense, and can only be compensated by a monopoly of their trade ; and if private merchants are to participate in that trade, they ought also to bear a proportionable share of the charge of establishment in those islands. But the spice trade is not the most interesting consideration belonging to this question. If in any of the islands in the Eastern Seas, not belonging to the Company, British subjects were to settle, (a thing which the Company, even if armed with legal powers, would find it difficult to prevent, after those seas should be open to all the ships of this country,) it would seem impossible to hinder them from obtaining, by one means or other, a supply of the teas of China, for the purpose of being smuggled into Europe. That object alone might be tempting enough to induce a settlement, where no other circumstance was sufficiently inviting. And if from this motive, or a concurrence of others which might be supposed, a number of Englishmen were once to unite themselves in that quarter, whither new individuals might continually resort, and whence, again, they might repair to all the ports of the Indian continent, it would seem scarcely practicable to preserve the efficiency of regulations formed, either here or by the Indian Governments, for the exclusion of unlicensed persons from their territories. Such would be the danger, especially of any British settlement in the Eastern Archipelago, not subjected to the government of the Company ; a danger very seriously to be deprecated : and even in those held by them, as the Moluccas, if they were open to all British ships, it may well deserve consideration, whether there might not be some liability to danger of the same kind.

kind. On all these grounds it really seems advisable, that British ships from Europe should not have access to the Spice Islands.

Having concluded our remarks upon the proposition and observations hitherto brought under discussion, we next beg leave to suggest some other regulations, growing out of the general subject now under consideration, and of our past correspondence. These, we trust, will be found so obviously proper and necessary, as to require no enforcing argument.

26th Proposition.—That no ship shall go from any British colony to the East-Indies or China, without the special license of the Company.

27th Proposition.—Private ships going from the United Kingdom to India to sail direct from that kingdom thither, and from India to that kingdom, without pursuing any circuitous route.

28th Proposition.—Ships going from this kingdom to India, not to engage in the coasting trade of India, but to be permitted to go from one port of delivery of the original cargo, to another for the full discharge of it.

We have the honor to be, My Lord,

Your Lordship's most obedient humble servants,

(Signed)

HUGH INGLIS,
ROBERT THORNTON,
JACOB BOSANQUET,
W. F. ELPHINSTONE,
CHARLES GRANT,
EDWARD PARRY,
WILLIAM ASTELL,
GEORGE SMITH.

The Rt. Hon. the Earl of Buckinghamshire,
&c. &c. &c.

At a Secret Court of Directors,

Held on Tuesday, the 28th April 1812.

The Chairman from the Committee of Correspondence reports to the Court, that in consequence of the request contained in the minute of the 20th April, which was communicated to Lord Buckinghamshire, the Chancellor of the Exchequer and his Lordship favoured the Deputation with an interview

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on Saturday, the 25th instant, at which Mr. Wallace was also present.

At that meeting various points belonging to the present negociation were touched upon; but the discussion mainly turned on the important question of permitting the ships of private merchants generally to import goods from India, at the outports of the United Kingdom. The Deputation urged every thing which occurred to them in support of the proposition of the Court upon this subject, as involving the essential interests of the Company; but they found, with regret, that the impressions which his Majesty's Government had received respecting it, since the date of Lord Melville's letter of the 21st March, were not in consonance with the sentiments of the Court of Directors. The Chancellor of the Exchequer, however, and Lord Buckinghamshire, expressed their intention of communicating, in writing, the judgment they had formed on the subject in question; and Lord Buckinghamshire having accordingly addressed a letter to the Chairman and Deputy Chairman, dated the 27th instant, that letter is now laid before the Court.

LETTER from the Right Honorable the Earl of Buckinghamshire to the Chairman and Deputy Chairman, referred to in the preceding Minute.

Gentlemen, *India Board, April 27th 1812.*

In communicating to you the sentiments of His Majesty's Government, after a full consideration of the several points which have been brought under their view, in consequence of the conferences and explanations I have had with you and the Deputation, since I had the honor of receiving your note of the 3d instant, it is unnecessary for me to enter upon the discussion of the Hints and Observations which have been the subject of the correspondence between the late President of the Board of Control and yourselves, as far as those Hints and Observations have been sanctioned by the General Court.

It was to have been expected, that upon a question involving the various interests of so large a body as the merchants and manufacturers of the United Kingdom, as well as of the East-India Company, that considerable differences
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of opinion should arise, and that reasons should be alleged of sufficient weight, to suggest the propriety of revising any plan which might originally have been concerted.

Under such an impression, Lord Melville, in his letter of the 21st ultimo, desired it to be distinctly understood, that public discussion, in the further progress of the measure, might possibly produce an alteration in some of the details, as well as regulations of a different description from those which were then suggested.

You would, therefore, not have been wholly unprepared for the communication made by me to the Chairman at a personal interview, when he was informed that the representations which had been brought before His Majesty's Government, since the publication of the correspondence already referred to, had led them to entertain an opinion, that they would best consult the public interest, by not confining the import trade from the East-Indies to the port of London.

The arguments adduced by you and the other members of the Deputation, and which had been urged with much ability, and at considerable length, in your letter of the 15th instant, have received the most serious attention of His Majesty's Government; but I have to acquaint you, that although they think that the great interest of policy and of revenue, as well as of the East-India Company, will render it their duty to propose to Parliament, that the existing restraints, respecting the commercial intercourse with China, should continue, and that the exclusive trade in tea should be preserved to the Company, for whatever term the charter may be renewed, yet that they remain of opinion that the import trade from the East-Indies should not be confined to the port of London.

They are not, however, insensible to the danger and mischief which the revenue, as well as the East-India Company, might suffer, if under the cover of that trade, an illicit commerce in tea were to be successfully carried on; but they conceive, that regulations, both in India and at home, may be so framed, as to guard against that danger, and to protect the Company and the revenue, whose interests in this respect equally require such protection, from the effects of it.

In submitting, therefore, the propositions to Parliament in this shape, the Government are persuaded, that whilst they would thus be supporting interests justly entitled to public consideration, they would, at the same time, be pursuing a course, essential to the collection of a revenue of nearly four millions

sterling, without breaking in upon that system, under which the salutary provisions of the Commutation Act secure the people of the United Kingdom against any failure in the regular and constant supply of an article, which has become a necessary of life.

In considering the terms proposed for the renewal of the Charter, as they would stand, should the suggestions I have conveyed to you in this letter be adopted, you will be sensible of the high importance of bringing to a conclusion an arrangement in which the interests of the Company and the nation at large are so deeply implicated, with as little delay as may be deemed compatible with a mature consideration, and satisfactory adjustment, of the several claims and pretensions of the parties concerned.

I have the honor to be, Gentlemen,

Your most obedient humble servant,

(Signed) BUCKINGHAMSHIRE.

To the Chairman and Deputy Chairman
of the Court of Directors.

LETTER from the Deputation to the Rt. Hon. the Earl of Buckinghamshire.

My Lord, *East-India House, 29th April 1812.*

The letter which the Chairman and Deputy Chairman had the honour of receiving from your Lordship on the 27th instant, was the day following laid before the Court of Directors, and engaged their most serious attention. It has again been considered by them this day, and we have now to submit to your Lordship the answer which they have instructed us to make to it: an answer which, from having before well reflected on the principal subject of your Lordship's letter, delivers their mature opinion, and as they presume to hope, in the least time possible, being sensible with your Lordship that, in the present critical period of the negotiation, all unnecessary delay is to be avoided.

It is with extreme concern the Court find, that since the publication of the correspondence between the President of the Board of Commissioners and the Court of Directors on the momentous question of the renewal of the Company's Charter, his Majesty's Ministers have been led, by the representations which have been made to them, "to entertain

“ an opinion, that they would best consult the public interest, by not confining the import trade from the East-Indies to the Port of London,” and that they still hold this opinion.

Not having been made acquainted with the particulars of those representations, and having urged various arguments which remain unanswered, against the measure of opening the outports to the trade from India, the Court, under the disadvantages of such a situation, are imperiously called to the consideration of the circumstances in which the Company are now placed, and in which, according to the best judgment they can form, the Company would be placed, if the new Charter should open the outports of the United Kingdom to the returns of the Indian trade.

Whatever may be thought, my Lord, by the merchants of this country, of their right to enter into the possession of a trade, acquired and maintained through long struggles and vicissitudes, at immense expense, by the East-India Company; a trade still intimately connected with the security of the vast empire which the same Company have gained, and administer for the benefit of the nation at large; the Court of Directors are of opinion, that the sacrifices they agreed to make of that trade to the public feeling, or if they may be permitted to express their idea more accurately, the public prejudice, were very large; and they yielded to them undoubtedly in a firm belief, not at that time discouraged by His Majesty's Ministers, that the importations from India would be confined to London, as well as that the exclusive privilege of the China trade would be carefully secured to the Company. But the concessions frankly made by the Court of Directors and Proprietors, who regard themselves always as a part of the Public, and wish, as much as possible, to be in unison with it, have, it appears, only encouraged farther demands; and if the tide of prejudice, of popular clamour, of most extravagant expectation and unbounded pretension, which have been more industriously than fairly excited, were now to determine the public counsels, not a vestige would remain of that great fabric, which has been reared in the course of two centuries, uniting with commerce an imperial dominion, which would be shaken to its foundation by the destruction of that system which has acquired and preserved it.

It is no surprise, my Lord, to the Court, though it is undoubtedly a great consolation, that His Majesty's Ministers unite with the “ great interests of policy and of revenue,”

those of the East-India Company, and that it must hence be their object to continue the political functions of the Company, and the means which are necessary for the maintenance of those functions. On this basis, the Court are happy to have the honor of meeting His Majesty's Ministers, and to continue the present discussion.

It is perfectly known, that for a series of years past, since the Indian territory has been loaded with an immense political debt, the Company have derived no surplus from the revenues. They have carried on the currency of their home affairs, they have even aided the political concerns of India, and, above all, they have made good the dividends to the Proprietors from the profits on their commerce; and, of late years, these profits have been derived chiefly from the China trade. From the still existing territorial debts of the Company, and the scale of their Indian expenditure, after all endeavours to reduce it, the Court of Directors have no prospect of pecuniary acquisitions, except through the same medium of commerce, for many years to come; and, as already intimated, it is the commercial profits of the Company which enable them to discharge the political functions assigned to them in the management of the Indian empire. Without this resource, or some equivalent one, not within their power, the dividends could not be continued, the value of the stock would diminish, and the Company be brought to a state of dissolution.

It is the extinction, or material diminution of the commercial profits, arising chiefly, as we have said, from the China trade, that we apprehend from the opening of the outports to the returns of the Indian commerce. If this extinction or diminution were to take place, your Lordship will doubtless agree with the Court, in admitting, that the fatal consequences they contemplate, would follow; and that, after going on a few years on the new plan, the Company would be so impaired in its resources, as to be inadequate to the important part allotted to it in the system of Indian administration.

When the Court of Directors thus view the consequences of opening the outports, His Majesty's Ministers will not blame the anxiety with which they respectfully contend against that measure. The duty they owe to their Constituents, to their own characters, and to the Public, requires them, in such a case, to act with the greatest circum-

circumspection, in order to obtain a reasonable assurance, that the terms of the new Charter will be such, as will enable the Company to go on efficiently in the performance of the political functions it has hitherto discharged.

We do not apprehend, my Lord, that there is any difference in principle on these points, between His Majesty's Ministers and the Court of Directors. The main difference, in respect to the question of opening the outports, is as to the practical effects of that measure. It appeared, in the conference we had the honour of holding with the Chancellor of the Exchequer and your Lordship, to be his opinion, that checks could be devised to prevent an indefinite extent of smuggling tea, ruinous to the Company, which we fear from opening the outports to the Indian trade. We have already given many reasons for thinking, that the practice of smuggling would, in such case, be uncontrollable. Those reasons, which need not be repeated here, we believe it will be difficult for the parties most adverse to the Company to refute; but the subject being so important in the present discussion, we beg leave to add a few more observations on it.

It is a fact notorious, that tea has been smuggled, by the way of India, into this Country, even when the duty was comparatively small; when the Indian import trade was confined to eight or ten Company's ships, and to the river Thames. How much more, then, is smuggling, beyond all bounds, to be expected, when the ships shall be unlimited in number and size, and may resort to the outports of England, Scotland, and Ireland? This practice would be much facilitated, because, in the numerous Eastern Islands, not subject to any European power, where we have said tea might be brought for English ships from China, there is no usage of clearing out vessels, or giving them papers or manifests. It would thence be easy for them to break bulk in the passage home, and as they approached the coasts of Britain and Ireland, to put tea, as well as other articles chargeable with duty, on board of ships and cutters, destined either for the ports of the Continent, or the remote coasts of Scotland and Ireland, on which, for a hundred miles together, every where accessible from the sea, there is scarcely a custom-house, and where custom-houses could not be sufficiently multiplied. Vessels of very small size being allowed in the Indian trade, they could enter into ports and bays
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little frequented, and run goods to be carried inland and there dispersed. In some of the northern and western ports of the United Kingdom, we have heard that collusive practices between the revenue officers and the smugglers are not unusual. If this is the case in respect to articles which pay a comparatively small duty, what would it be, where the articles of tea and Indian goods were in question? Ships might stop at intermediate ports for orders, and there smuggle; as those bound to the Western coast, at Cork and Falmouth; those to the eastern coast, at Falmouth and the Downs; those going north about, on the Irish and Scotch coasts. Ships having several ports of discharge, would thereby obtain facilities in smuggling; and the state of relations between this country and parts of Northern Europe may be such, as to afford the means of running goods into those parts, which, from their proximity, may again be able to smuggle the goods into our remote ports. In a word, we are led to apprehend, that the means and the temptation of smuggling tea, when an unlimited trade is permitted to India and the Eastern Islands, must be, in a very great degree, uncontrollable by any checks which His Majesty's Government can, in such circumstances, interpose. Nor is it to be overlooked, that a class of Indian goods, styled in the revenue language *prohibited*, because excluded altogether, as interfering with the manufactures of this country, will, by all the openings which the new trade will produce, be every where unavoidably brought into use. It is true, that even if the return trade of India were confined to the Channel, as we proposed, smuggling might be expected, but certainly, not, in our opinion, at all to the same extent. And had we conceived otherwise, the same objection we now advance against opening the outports, would have been urged against that enlargement of trade, in which the Court have acquiesced, and for the same reason, to prevent the ruin of the Company; which did His Majesty's Ministers apprehend, they would doubtless, in either case, have desired to prevent, even by refusing the required concessions to the British merchants.

With these views, my Lord, deeply impressed on the minds of the Directors, acting as they are in a most responsible situation, is it too much for them to expect and to request, that they may be honored with the knowledge

ledge of those means which His Majesty's Government may think would be effectual to prevent the practice of smuggling, under the new circumstances, to any ruinous or great extent?—could they have a reasonable persuasion of the practicability of such prevention, *that* would undoubtedly, so far lessen their fears and the arguments on which they now feel it their duty to insist. They hope not to be misunderstood in this proposition. Assured both of the desire of His Majesty's Ministers, as well on account of the Company as of the revenue, to prevent smuggling, and of their belief of the practicability of doing so; feeling also, as the Court do, the delicacy of seeming to interfere in any of the revenue regulations of Government, they are yet so circumstanced, in the present critical conjuncture, as to find this enquiry most interesting to the cause of the Company.

It is indeed true, that the Public appear to have a greater concern at stake here than the Company. The Public may lose the greater part of a revenue of four millions per annum, whilst the Company can have only to the extent of one million at hazard. But then this one million is all the Company's certain income: if they lose that, they lose the foundation on which their efficiency rests; unless, in the new arrangements, some other resource should be provided, which should secure the dividend to the Proprietors; a provision which, undoubtedly, would also materially affect the views the Court of Directors now entertain from contemplating the dangers of the Company's China trade. And suffer us, my Lord, since the assailants of the Company's privileges are so loud in representing their interests as those of the nation at large, to add this remark concerning the national interest in the present question, that if the revenue of nearly four millions, now so easily collected from tea, should fail, or fail to the extent of only two millions, other taxes must be laid upon the Public, to compensate for that loss: and whether the nation will gain so much otherwise, by the proposed enlargements of trade, may be a serious question with those who have to decide on this momentous concern; with us it is none. It may deserve also to be recollected, that with the fall of the Company's China trade will fall the exports of woollens and metals, to the extent of a million annually, by which the prosperity of the counties of Cornwall, Devon,

Devon, Somerset, Dorset, and Gloucester, and Norfolk in some measure, have been upheld, during the arduous struggle of eighteen years in which the country has been engaged; the excellent fleet of ships employed by the Company, with all the long detail of interests connected with them, must decay; whilst the nation will lose that certain and regular supply furnished by the Company of the article of tea, an article, as your Lordship justly observes, now become a necessary of life.

Before we dismiss this topic, may we be allowed to bring under your Lordship's inspection a succinct view of the capital and interests concerned in the Indian and China trade from the port of London.

There are about fourteen hundred commanders and officers belonging to the ships of the East-India Company (besides the seamen, who may be about eight thousand). The tradesmen engaged in the supply of the Company's shipping in the river Thames are about twelve thousand, and the labourers employed in their warehouses are about three thousand. All these, with their families and dependants, making an aggregate of upwards of thirty thousand persons, would, by the removal of the Indian trade from the port of London, be generally reduced to great distress, and many of them become burthensome to their parishes.

The capital now employed in the Indian trade may be moderately computed as follows.

The Company's capital stock of £6,000,000,	
at the price at which many Proprietors	
purchased, will amount to	£10,800,000
Capital in warehouses	1,000,000
Capital in ships	3,800,000
Capital in docks	400,000
Capital of individuals in the metropolis may	
be moderately estimated at	5,000,000

£21,000,000

The trade in which this large capital is employed produces, as we have had occasion repeatedly to observe, an annual revenue to Government of more than four millions sterling; and the net saving to Government, from the present mode of collecting the duties, may, we conceive, be fairly estimated at £150,000 per annum. By means of direct and indirect taxation, the capital itself.

itself, and the profits upon it, yield a farther sum of large amount to Government; but the productiveness of the capital, in this respect, depends wholly upon the solidity of the basis on which it rests.

These, my Lord, are the sentiments and observations which we are directed to communicate to your Lordship. The reflection upon them has, we trust, been mature, though the expression of them, in the shortest time allowed for the preparation of this letter, may require indulgence. But we are further specially directed to add, that this is a concern of too great moment for the Court to trust to its own judgment; or to act on its own responsibility; the Directors have therefore summoned a General Court of Proprietors to meet on Friday next; when the correspondence with your Lordship, including this letter, will be laid before them for their consideration.

We have the honor to be, my Lord,

Your Lordship's most obedient humble servants,

(Signed)

HUGH INGLIS,
ROBERT THORNTON,
JACOB BOSANQUET,
W. F. ELPHINSTONE;
EDWARD PARRY,
CHARLES GRANT,
GEORGE SMITH,
WILLIAM ASTELL.

The Rt. Hon. the Earl of Buckinghamshire,
&c. &c. &c.

At a GENERAL COURT of the United Company of Merchants of England trading to the EAST-INDIES, held on Tuesday, the 5th May, 1812.

Resolved Unanimously,

That this Court has learnt with deep concern and surprise, that His Majesty's Ministers have been induced to change the view they first entertained of the propriety of confining to the Port of London the returns of the Trade to India, now to be permitted to all British subjects.—That the measure of opening the Outports to vessels of all descriptions from India, comprehending in that term the Eastern Islands, appears to this Court to be fraught with consequences ruinous to the Company, and all the long train
N of

of interests connected with it ; by removing from the Port of London the greater part of the Indian Trade, which it has hitherto enjoyed ; by rendering useless many of the extensive establishments formed there for the Merchandize and Shipping of that trade, and throwing out of bread many thousands of persons who now derive constant employment from it ; by deranging the practice and frustrating the end of stated Public Sales which are useful and important both to the Country and the Company, who are necessarily restricted to this practice ; but, above all, by affording facilities for the Smuggling of Teas into the Ports and Harbours of England, Scotland, and Ireland, to an extent unlimited, and as this Court apprehend, uncontrollable—That the consequences of this must be the destruction of the Company's China Trade, their best source of commercial profit ; the failure of their Dividend, the depreciation of their Stock, and unless a fund is provided from some other source for the payment of the Dividend, inability on their part to continue to perform the functions assigned to them in the Government of British India.—That if the constitution by which the Indian Empire is now administered should thus be subverted, the excellent system of Civil and Military Service formed under the Company, and maintainable only by such a body, will be broken down, the tranquillity and happiness of the vast population which that Empire contains, the Interests of this Country in Asia, and its Constitution at home, will be imminently endangered.

That the professed object for which the proposed charges are to be made, and such immense sacrifices hazarded, namely, the Increase of the Commerce of this Kingdom, cannot be in any great degree attained ; there being no practicability of extending materially the use of our Manufactures among the Indian people, the tonnage allotted by the Company, or afforded by Indian Ships in the management of individuals, for such exports, not having been fully occupied ; neither does it appear practicable largely to augment the importation of profitable commodities from thence ; of all which the example of the American Trade to the East is a proof, British Manufactures, which they could easily have procured, making no part of it, nor their returns exhibiting any new articles of importance.—That therefore the Trade now enjoyed by the Company and individuals will be the only certain trade
to

to which new adventurers can have recourse; and this will be no addition to the Commerce of the Country, but only a transfer from one set of hands to another; so that, Old Establishments will be subverted, without substituting any thing equally good in their place; and to all appearance with great detriment to the Nation, particularly in the Defalcation of a large part of the Duties now collected on Tea, to the amount of Four Millions sterling per annum; for all which Defalcation, whether one, or two, or three millions, New Taxes must be laid on the people.— That the Cause of the Company has been deeply injured by prejudice, ignorance, erroneous assumptions, and of late by extensive combinations, and by unfair representation, canvas, and intimidation—in all which the merits and rights of the Company, the Political Interests of British India, and of this Country as connected with them, have been left out of sight, and the single object of the Extension of Commerce, an object too only of speculation, in opposition to past experience, is the governing principle.

This Court however confidently hope, that Parliament will not decide the fate of the Company, on the representations and demands of private interests, but on just and comprehensive views of National Policy; and the Court must also believe that His Majesty's Ministers are too enlightened and equitable finally to adopt any measure calculated to destroy the commercial profits of the Company, and thereby to disable them from performing their political functions. This Court, therefore, entirely approving, both of the firmness which their Directors have shewn in maintaining the interest of the Company, and of the manner in which they have, in the papers now produced by them, defended those interests, doth recommend it to them to persevere in the Negotiation with His Majesty's Ministers upon the same principles; assured of the determination of this Court to support them to the utmost in maintaining the permanence of the Company and the National Interest, which are involved in their stability.

Resolved Unanimously, That the thanks of this Court be given to Randle Jackson, Esq. for his very luminous and excellent speech this day; for the great zeal, ability and industry he has on various occasions, and particularly on

on this, displayed for the honor and advantage of this Company.

Resolved Unanimously, That the warmest thanks of this General Court be offered to the Chairman, Deputy Chairman, and Court of Directors of this Company, for their very able conduct in the Negotiation with Government for the Renewal of the Charter; alike evincing the most luminous ideas of the best Interests of this Company, and their most honorable conduct in the management of so important a concern.

(Signed)

WILLIAM RAMSAY,

Secretary.

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CONSIDERATIONS
ON THE
POLICY OF RENEWING
THE
EXCLUSIVE PRIVILEGES
OF THE
EAST INDIA COMPANY.



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TO
THE HONOURABLE
THE
COURT OF DIRECTORS
AND THE
OTHER MEMBERS OF THE EAST INDIA COMPANY,
THE FOLLOWING PAGES
ARE RESPECTFULLY INSCRIBED
BY
THEIR OBEDIENT SERVANT
AND
WELL-WISHER,
The Author.

CONSIDERATIONS,

&c. &c.



IT is a practice almost universal with writers to endeavour to exalt the importance, and magnify the difficulties of that particular subject at which they happen to be employed. Whether it be that they hope, by a timely intimation of the instruction and amusement which may be derived from their book, to attract the attention of the public, or, by a pompous enunciation of hardships surmounted, intricacies unravelled, and contradictions reconciled, to overwhelm their readers with astonishment at the gigantic strength of mind which could venture on so tremendous an undertaking, I know not; but certain it is, that scarcely a work now issues from the press, of which the first sentences are not of the nature I have described.

Now although this practice is become so ge-

neral that, from a mere love of novelty, I might be justified in departing from it, and is, moreover, so thoroughly understood by the world that it has lost with every reasonable man the little weight which it may be supposed to have once possessed, yet neither of these considerations has had any influence in determining me towards the course which I intend to pursue. It is then the mere love of truth (to which, as far as lies in my power, I am determined on all occasions to adhere), which incites me to declare that the subject on which I propose to offer a few observations, is neither *the most interesting* nor *the most important that can be imagined*. Although the subject be India,—India, that inexhaustible store-house of all that is surprising, magnificent, and beautiful,—India, which, in whatever point of view it is considered, cannot fail of exciting the deepest emotions in the mind of every reflecting man; and of which the details appear to possess a kind of infinity, I yet advance no such magnificent pretensions. At the same time I cannot help thinking that, whether we consider them as connected with the prosperity and power of our countrymen at home, or the happiness of our fellow subjects abroad, the affairs of that empire are by no means undeserving our attention; more espe-

cially at this time when the question of the renewal of the Company's exclusive privileges is once more to be agitated in Parliament.

There is not, I believe, any point of equal importance with this, which has been treated with equal indifference; nor any of which the knowledge of the public at large is so defective. The documents from which alone the true state of the question (in all its bearings), could be ascertained, are unfortunately of so repulsive a magnitude that many, who have an inclination, cannot spare time to make themselves masters of their contents; while, of those to whom time is not wanting, how few can be expected, gratuitously, to undertake a voyage of discovery on so boundless and unfathomable an ocean? The consequence has therefore been, that ambitious and designing men have exerted themselves, but too successfully, to disseminate among the people their false and pernicious opinions; (for, where detection is difficult, falsehood will always be abundant); and it is to be feared that many impressions injurious to the Company have taken possession of the public mind.

For the wide diffusion of these many reasons might be assigned, but the principal I conceive

to be, First, The perseverance of the enemies of the Company, who, by the unceasing repetition of their calumnies, may have persuaded many that in assertions which they heard so frequently and so confidently repeated, there must be some degree of truth; and, Secondly, a disposition, but too prevalent among us at this time, (and still I fear increasing), to believe any report injurious to the character and conduct of men in high stations. In the humble hope of in some degree counteracting these false impressions, as well as of demonstrating that the security of our Indian empire, the happiness of the millions it contains, and the interests of the public and the Company, may be best secured by the continuance of those restrictions which now exist, the following pages are offered to the world. On a subject so inexhaustible I have but few observations to make, nor in those few can I flatter myself that much novelty will be found; but I hope that the public will not be displeased at seeing collected into a small compass some of the arguments which are most material to the right understanding of this question.

I am aware that of late years it has been the fashion to rail against *all* exclusive privileges, without any consideration of the circumstances under which they were originally granted, or of those

which may justify their continuance at this time.

Among the patriots of the day, there is no more compendious road to the popular distinction at which they aim, than to denounce the East India Company, in particular, as upheld, both at home and abroad, by a system of fraud, and violence, and usurpation. Extravagant as these assertions may appear, they have been frequently made, and sometimes perhaps believed. Year after year, the press has teemed with pamphlets to this effect; while the hustings and the Senate-house have trembled at the vehemence of the orator, declaiming on this exhaustless subject; and still the burden of their song has been, (after Adam Smith), “that exclusive companies are nuisances in every respect.”*

Now, in questions of political economy, the name of Dr. Smith deservedly carries with it such authority that I cannot, without the utmost diffidence, venture to impugn any decision of his. Yet, eminently gifted as he was in every respect, and, in his own science, confessedly supreme, he was never, I believe, even by his warmest admirers, supposed to be infallible. I shall therefore endeavour to prove that the

* *Wealth of Nations*, v. ii. p. 512.

doctrine contained in the sentence quoted from his works, is laid down with too little limitation, for that, allowing exclusive companies, abstractedly considered, to be evils in themselves, there may be, and are, cases in which they ought to be encouraged. I am at the same time disposed to admit that this encouragement should be sparingly and cautiously afforded, and that exclusive privileges ought never to be granted except for the prevention of some greater evil which could not be avoided, or the acquisition of some positive good which could not be attained, but through their intervention.

On these grounds I am prepared to justify the continuance of the East India Company's privileges, by proving that they are necessary to the maintenance of the integrity of the empire; and that any departure from the system now in force would, in all human probability, be followed by the downfall of our sovereignty in the East, and the consequent loss of all the advantages which at present accrue from those colonies to the mother country.

It is, in the first place, a matter of indispensable necessity to consider the nature of the sovereignty exercised by us in Hindostan, as well as the habits and situation of the people, over whom our dominion extends. To the eminence

which we at present enjoy in the vast tract of country which constitutes the peninsula of India, we have been raised by the valour and exertions of our countrymen, assisted as they have been by a series of events not less extraordinary than unexpected; and the situation in which we are there placed, is unparalleled in the history of the world. It is indeed a situation on which general reasoning cannot be employed, and to which those ordinary maxims of government which, in other parts of the globe, are received as well-known and established truths, are totally inapplicable. However wise therefore, however just, however conformable to the dictates of reason and sound policy, the alterations, which some are desirous of introducing into the government of India, may appear in theory, they must yet submit to the rigid laws of imperious necessity; they must submit to be modified by considerations of the nature and circumstances of the people for whose benefit they are intended, or, instead of a blessing, they will prove a curse to India, and may ultimately occasion the downfall of England herself.

To those who contemplate, at a distance only, the immense, and orderly fabric which our eastern empire at this moment exhibits, it may appear that now, when every rival of our power is laid low, and

when from Cape Comorin to Delhi, the superiority of the British name is indisputably established, we may at last begin to remit our caution and our jealousy, and be content to govern this portion of our empire by the same principles that direct our conduct towards our other colonies; permitting this wide (and hitherto restricted), field of commerce to be laid open to British industry and enterprize. If, however, we will but take the pains to examine the interior of this extraordinary edifice, and to make ourselves acquainted with the principles on which it was erected, we cannot fail of observing that extreme caution ought to be used in the removal of any of those supports on which the strength and durability of the structure depend. To drop the metaphor; I wish to impress upon the public mind that unceasing vigilance and caution are still necessary to preserve what valour and industry have obtained; and that any measure which tends to the relaxation of these, or to the derangement of that system which has been so long and so successfully pursued, must prove injurious to both countries.

It is, I should imagine, almost unnecessary to remark that *the main principle*, by which we have hitherto been guided in our treatment of

this portion of our empire, has been the prevention of colonization. By laws and regulations, by the vigilance of government, both at home and abroad, unceasingly directed to this point, we have endeavoured (and hitherto with success), to preserve unbroken the line of distinction that separates the Englishman from the native of the east. The European inhabitants of the countries now under review, consist of the servants of the company (who certainly cannot be considered as permanent residents) and of men of various descriptions who have received permission from the Company to settle at their several Presidencies; the number of these is, at the same time, so inconsiderable that they never can have any influence on the fate of India, while their good behaviour is secured by a knowledge of the penalty to which any infraction of the laws would inevitably subject them. It is, I am convinced, to the power vested in the Directors at home, of granting or refusing at pleasure the privilege of emigration, and in the Governors abroad of expelling from their territories men of obnoxious character, that we are indebted for the security of our Indian possessions, and for the opinion of our superiority, (prevalent throughout them), on which, more than on our actual strength, our possession of

Hindustan must always depend. Supported by this we have been enabled to expel the French, and to annihilate in India the power which at no remote period of time threatened the destruction of our own. We have seen our ranks filled with native soldiers by whose fidelity we have successively triumphed over Hyder, and Tippoo, Holkar and Scindia, and extended to the remotest corner of the east the terror of our arms. By the magic of opinion it is, in fine, that a comparative handful of Europeans has so long kept in subjection the finest portion of Asia, and a population between which and that of the United Kingdom no comparison can be instituted. So long as the management of these countries is committed to the charge of an exclusive company, whose interest it must ever be to exercise a most scrupulous and unwearied diligence in this respect, colonization may be effectually prevented, or at least precluded from arising to any dangerous height. But when these salutary restraints are withdrawn, when ships are allowed to sail from every port, with every tide to India, when adventurers are no longer restrained by the impassable barrier which now shuts them out from that land of promise, what security can we have against the diffusion of new principles, and new ideas,

among the now peaceful Hindoos? May we not rather be too certain that all those who are too idle or too wicked to remain in their own country will in the course of time spread themselves over every part of India, and become the apostles of mischief and misery to those who are now flourishing and contented under a mild and equal government? Pass but a few short years, and the distinction which now supports our power will be obliterated; the principles which have so long and so successfully directed our policy will be forgotten. The now commanding Englishman and the submissive Indian will become blended into a new race, possessed of all the restlessness and ambition of the former, without his attachment to the country which gave him birth, or his respect for the laws which he received from his ancestors, and of all the cunning and cruelty of the latter, without those notions of European superiority which now incite him to fight our battles, and to perform all the duties of a loyal and affectionate subject. Should this dangerous system be once allowed to take root, it will not afterwards be in the wit of man to effect its extirpation, or to prevent the introduction, with a new race, of that impatience of foreign controul, and that desire of independence which must, in the end, lead to a convul-

sion destructive both to England and India; which will exhaust the former country, and make the latter a desert, and will be productive of scenes of bloodshed and devastation to which even in the east, history has yet presented no parallel.

The evils, indeed, which would result from any considerable admixture of the two nations, are so generally acknowledged (even by the enemies of the Company), that any further observation on that part of the subject must be unnecessary. It therefore does not appear to me that I shall be exceeding the bounds of fair argument if I consider those who are anxious for an alteration of the present system, as bound to prove, either

That, if the restraints at present existing were removed, colonization would not take place to any dangerous extent; or

That, the Company being abolished, a sufficient power might still be lodged in proper hands to prevent indiscriminate emigration; or

That the benefits, which in a commercial point of view would result to the nation, are sufficient to counterbalance the political dangers which, it is not denied, the measure of laying open the trade is calculated to produce.

That, on the removal of the restraints at pre-

sent existing, the colonization of India from England, (or, what is still worse, from other countries) would not take place, is, I believe, a position as untenable as would be the assertion that colonization ought not to be regarded as an evil. There is, and always must be, in every country, a considerable portion of its inhabitants which, from the effects of idleness, profusion, or misfortune, is desirous, upon any terms, of a change of habitation. To this class another may also be added whose only inducement is the desire, so natural to man, of improving their condition, or, perhaps the mere love of rambling and the spirit of adventure. Were these allowed an access to India, as unlimited as to the other parts of the world, it is not to be doubted that the fertility of the soil, and the little difficulty with which the necessities and luxuries of life are there procured, (or, independent of these, the desire of visiting a country which has been so long interdicted), would attract thither the feet of many an adventurer? Among the rest, no doubt, of some, who, after attaining a considerable proficiency in England, have been sent to complete their studies in the school of morality established at Botany Bay!

That colonization, indeed, if not prevented by

the strong hand and watchful eye of power, would become general in the east, is so obvious that few have ventured to dispute it, but have chosen rather to shelter themselves under the assertion, That, even supposing the Company to be abolished, a power might still be vested *somewhere*, sufficient to prevent indiscriminate emigration, and the evils by which it would be attended. To this it might be sufficient to reply that these advocates for innovation have never yet been able to point out *where* this power is to be lodged, nor by whom it could be exercised with so much effect as by those in whose hands it is at present deposited. Should it be proposed to transfer to the crown the superintending power in question, with (for they cannot be separated), the whole patronage of India, I reply that, besides questioning the policy of thus increasing the influence and prerogatives of the crown, I doubt whether his Majesty's ministers do not already find the duties with which they are charged fully sufficient to employ their whole time and attention. Should these duties therefore be increased how are they to be executed with that regularity and dispatch which the interests of the country demand? It is besides to be observed that many causes forbid us to hope that the duty in question ever can be

executed by any body of men with greater attention and effect than it now is by the Court of Directors; who, besides having among their number men intimately acquainted with the peculiarities of India, and the system of policy most conducive to her advantage, must, from their peculiar situation, be actuated by a more anxious desire to fulfil the trust reposed in them than can ever be felt by men under other circumstances. Admitting, however, that this service should devolve on a man, or body of men, as conscientiously desirous of performing it as those to whom it is now allotted, I must be allowed to doubt whether, with an open and unrestricted trade, carried on in vessels belonging to private merchants, sailing from any port of England, or her colonies, it would be possible for *any* degree of vigilance to prevent the transmission to India of numberless individuals whose residence there ought, from every motive of prudence to be prohibited. Nor, under circumstances such as these, would the caution of the functionaries in India prove more effectual than that exercised by those at home. In order to ensure success the British residents must cease from their employments of collecting revenues, and administering justice, the soldier must quit his garrison and his camp; and these together.

forming one immense posse-comitatus, must engage in the endless task of hunting down these proscribed interlopers, for whose conveyance to Europe the whole tonnage of the country would hardly suffice. Is it not by far more probable that the governments, after a few ineffectual attempts to suppress the evil, would be reduced to a state of unwilling inactivity, and be compelled to witness, without being able to prevent, the growth of a system which they nevertheless could not but feel must one day prove fatal to their existence?

The preceding observations, it will appear, are addressed not only to those who contend for the total abolition of the company, but to others (among whom I fear his Majesty's ministers must be reckoned), who, though not insensible to the dangers of which I have taken notice, are yet in hopes of being able to avoid them by steering a middle course; and are therefore willing to allow to the public a participation in the trade with India. Before, however, they suffer themselves to be deluded by the sophistry of artful politicians, or awed by the clamors of interested speculators, I intreat them to consider well the dangerous innovation they are preparing to sanction, and the fatal consequences of which it may be productive. So

long as vessels bound to the east shall be allowed to clear out from no English port but that of London, and so long as their owners, officers and crews shall be, in a great measure, known to and under the controul of the Company, it will be possible, by a very moderate exertion of vigilance to prevent the embarkation of even a single individual without the knowledge and consent of Government; but, on the supposition that the ships of private merchants are to be permitted to sail from any of the ports of England to those of India, it is not difficult to foresee that a very different state of things must soon ensue. The Company's privileges, and the restrictions on emigration, may nominally remain, but they will be virtually abolished. Laws and regulations may be enacted, and penalties (each more severe than the preceding), be denounced, but these laws and regulations must soon become as mere a dead letter as those against profane swearing, and many others which now sleep quietly in the statute books, from the utter impossibility of putting them in execution. This is indeed the strong ground of the Company, and from which not all the efforts of their opponents will ever be able to dislodge them. A fact of which their adversaries, indeed, seem to be pretty well convinced, as, in none of their

manifestos which I have yet seen, have they thought proper to make the slightest allusion to this part of the subject. Their claim to a share in the Indian trade they choose rather to rest on the *right*, (inherent in every British subject as they maintain), of visiting every part of the world. On an assumption so monstrous I will not condescend to waste a single argument; and I trust that both in and out of Parliament a plea of this description will be treated with the contempt it merits. Let them learn (if their prejudices will allow them to listen to the truth), that this, like every other question of national policy, must be argued and decided, not on the ground of *right*, but on that of expediency.

In the view of the question which is here taken, it is no longer one of a paltry, peddling, commercial nature, but involves the happiness of nations, and the existence of the British power in India. To induce us therefore to exchange a system so advantageous for one of which *all* the dangers cannot even be foreseen, it ought at least to be shewn that there exists a reasonable prospect, (or rather a moral certainty), of great commercial advantages to be derived from laying open this trade to the public. To any one, however, previously unacquainted with the subject, it will afford matter

of surprise to find that this trade, so much coveted, and to admit the public to a share in the profits of which so many benefits are to be sacrificed, and so many dangers to be incurred, has in the language of the Directors, “gradually ceased to be of importance, *as an object of gain*, either to the Company or individuals.”—The whole of the observations on this topic submitted by the Company to Government, are indeed so admirable in point of expression, and so conclusive in argument, that I will not weaken their effect by any abridgement of their contents, but will introduce them in their entire state.

“With respect to the benefits supposed to be derivable from opening the trade with India, it is, in the first place, to be observed that no material enlargement, if any enlargement at all, is to be expected in the exports of our manufactures to that quarter. The records of the Company, for two centuries, are filled with accounts of their endeavours to extend the sale of British products in India, and of the little success which has attended them. The French, Dutch, and other European nations trading thither, have equally failed in introducing the manufactures of Europe there. This was not owing to their trading chiefly in the form of companies; the Americans, who, within the last twenty

years, have entered into the Indian commerce, and traded largely, not as a company, but by numerous individuals, each pursuing his own scheme in his own way, in which course no part of the east is left unexplored, carry hardly any European manufacture thither, their chief article for the purchase of Indian goods being silver; and such has been the state of the trade from Europe to India since the time of the Romans. This state results from the nature of the Indian people, their climate and their usages. The articles of first necessity their own country furnishes more abundantly and more cheaply than it is possible for Europe to supply them. The labour of the great body of the common people only enables them to subsist on rice, and to wear a slight covering of cotton cloth, they therefore can purchase none of the superfluities we offer them. The comparatively few in better circumstances, restricted, like the rest, by numerous civil and religious customs, of which all are remarkably tenacious, find few of our commodities to their taste, and their climate, so dissimilar to ours, renders many of them unsuitable to their use: so that a commerce between them and us, cannot proceed far on the principle of supplying mutual wants. Hence, except woollens in a very limited degree, for mantles in the cold

season, and metals, on a scale also very limited, to be worked up by their own artizans for the few utensils they need, hardly any of our staple commodities find a vent among the Indians; the other exports which Europe sends to India being chiefly consumed by the European population there, and some of the descendants of the early Portuguese settlers, all of whom, taken collectively, form but a small body, in view to any question of national importance.

“What is here said does not relate to those parts of India only where the Company have settlements or factories, but to all the shores that embrace the Indian seas, from the Gulphs of Persia and Arabia to the eastern Archipelago. Many advocates for a free trade may suppose that in so vast a range, numerous positions favourable for the vent of European commodities, are still unexplored; but they are not aware that in the British settlements which themselves extend on the west to Cambay, and on the east to China, there are a number of merchants, native and European, who carry on with great spirit what is called the coasting trade of India, sending their ships to every mart, insular or continental, where any profitable commodities can be either bought or

sold. At all those marts European commodities have been tried by the enterprize of individuals. The little demand that has been found for them has been supplied; and residents settled in India, can carry into such parts the trade in European commodities, which it is now open to them to receive from this country, with more facility and advantage than merchants settled in England.”*

On this (as it appears to me), unanswerable statement, I shall not presume to offer a single comment; it ought, however, to be remembered that a participation in this trade has already been offered to the public. “In the Charter of 1793 provision was made for the export of British manufactures to India, by any individuals who might choose to embark in that trade. The Company were required to find them tonnage to a certain extent, which has always been allotted at a rate of freight cheaper outward, as well as for the returns, than the Company themselves pay, or, as the Court think, than private ships could furnish it. But in all the time that has elapsed since, very few applications, and those to a small extent, have been made for leave to export the woollens, metals, and other staples of this country, on private account; the chief appli-

* Papers respecting the Negotiation, &c. page 21.

cations having been made for the freight of wine, for the consumption of Europeans: and this is not properly a British production, nor is it so much an increase in the trade as a transfer of it to the private merchants from the commanders and officers of the Company's ships, part of whose advantage used to arise from being the carriers of this commodity."*

Listening to the complaints which are uttered on the subject of Indian monopoly (as it is termed), we might have supposed that *any* offer of this description would have been eagerly caught at; and that the only difficulty would have been to single out, from amidst the host of candidates contending for precedence, the favoured few who should be admitted to a share of the privilege. Yet it has just been shewn, on authority that cannot be disputed, how little this reasonable expectation has been realized. How then are we to account for this apathy among our merchants? for this indifference to their own interests among men to whom if any fault is to be imputed it is that of over-eagerness to embark in hazardous speculations; and who have not, in any instance neglected to extend their commerce into every creak and cranny

that came within their reach. It has been said by some that the regulations enacted by the Company are so oppressive as to amount to a total prohibition of all commerce, and that for this reason, and this only, they have declined to avail themselves of the indulgence granted by the legislature. That the explanation here attempted is far from satisfactory may, I think, be shewn by two arguments; the first of which is that the Company have introduced *no* regulations of *their own*, but (as has been shewn in their own words) have strictly and literally fulfilled the provisions of the act. It is indeed not to be imagined that they would have ventured to deviate from them, in danger as they were of immediate detection from those who would doubtless have been rejoiced to discover, and ready to expose any unlawful or oppressive proceeding. It is, in the next place, sufficiently obvious that were this trade really of a nature so lucrative as has been represented, and did its boasted profits exist any were but on paper, and in the heated imaginations of speculative politicians, it *must* from the nature of things, have been carried on *to a considerable extent* under *almost any* circumstances of discouragement. Admitting therefore (what I am convinced is not the fact), that the Com-

pany *had* exerted all their influence, and those opportunities which they may be supposed to derive from their situation, to cramp and cripple this commerce, it is yet not conceivable that with such an opening as was afforded by the act of 1793, they *could* have reduced it to that, state of annihilation in which we now find it, (and from which it has never for a moment revived), if even a moderate return was to be expected from it. Let it be remembered that the nature of commerce is elastic; it rises against pressure; it delights in resisting difficulties; and, when supported by the hope of gain, will overcome (I had nearly said), impossibilities. For a proof of this we need only consider the events which during the last three or four years have been taking place in the commercial world. To exclude our manufactures from the continent, the enemy of our existence has issued his anti-commercial decrees; he has enforced their execution by lining every part of his coasts with thousands of soldiers, and with tens of thousands of spies and custom-house officers: he has, in short, exhausted his malignant ingenuity in devising means for our annoyance. Yet not all these mighty exertions, not all the rigor of these laws, not even the punishment of death denounced against every one convicted of an

intercourse with England, have been able totally to extinguish our European commerce. Detected under one shape, it immediately assumes another;

“ *sux non immemor artis*
 “ *Omnia transformat sese in miracula rerum.*”

where force is ineffectual, it has recourse to stratagem, and, let it be opposed or thwarted as it may, will still contrive to obtain a part, at least, of the objects at which it aims. Appeal to any one of our merchants who frequent the Exchange; and not to one only but to all. Ask them how they can have the madness, in defiance of Buonaparte's proceedings, to persist in a traffic attended with so many risks? With one voice they will tell you, that so long as the nations of the continent shall continue to desire our manufactures, and to purchase them on terms favourable to us, no regulations that can be devised, no severities that can be practised will be able entirely to excluded them. We are little affected, they will say, by the loss of two adventures, when we find ourselves re-imbursed with interest by the success of the third. This state of things must remain so long as human nature shall continue what it is; and were the

same causes at work in Asia, they must, long before this time, have produced similar effects. Were the natives of the last mentioned quarter as desirous of obtaining our manufactures and other products of our industry, as we know those of Europe to be, and were there an equal profit to be derived from either traffic, it is not all the rules and orders of a Company, did they possess ten thousand times their present authority, it is not all the acts of a British Parliament, nor all the vigilance of the British navy, that could have restrained the enterprise of our merchants. We see that Buonaparte, with all his power, and all his terrors, has failed of success in his attempts against *one* trade, while *the other* has languished and died, (if that may be said to have died which never had existence), under restrictions not only comparatively, but positively trifling. Let us suppose that Buonaparte, or the American government, had been willing to allow an intercourse to be carried on between their dominions and ours, under restraints not more severe than those imposed by the Act of 1793 on the private trade with India, would not our commerce in an instant have revived? would not our manufacturing towns have resounded with the bustle of preparation, and our ports have been filled with innumerable

vessels preparing for, or returning from their voyages to distant countries. Should we not, in short, have disregarded or forgotten so paltry an impediment, and have carried on a trade, nearly or quite as extensive as if it had not existed? And yet, of what might be effected, under similar circumstances, in the Asiatic world, scarcely a solitary speculator has ventured to make an experiment. A fact for which it is impossible to account but by acknowledging that there exists an inherent difference between the two trades of Europe and Asia; that, from the one there *is* a profit to be derived, while from the other there *is none*. The merchants of Birmingham, of Glasgow, and Liverpool may summon assemblies, pass resolutions, and present petitions; but, with facts such as I have noticed staring us in the face, it appears to me as at least questionable whether his Majesty's ministers would not prove themselves more truly the friends of these traders by denying, than by granting the boon for which they are so clamorous. To them, as individuals, I bear not the slightest ill-will; I lament, in common with the rest of my countrymen, the difficulties under which both they and their commerce are now labouring, and would cheerfully (if it were in my power), point out some mode of relief;

but out of pure regard to them I would withhold the present object of their desires, as I would a knife, or any other dangerous weapon, from the hands of a child. The man and the child may fret and pout awhile, but in both the age of reason will at last arrive, and teach them to be grateful for the kind, though apparently severe, precaution which deprived them of the means of self-destruction. "The provisions of the Act of 1793," Lord Melville says, "have not hitherto answered the expectations either of the legislature or the merchants," but, of those who form unreasonable and extravagant expectations, who is to be blamed for the disappointment? The project of affording relief to our manufacturers by opening the trade to India is, and in spite of Acts of Parliament, ever must be illusory; since that trade, from the causes assigned in the letter from the chairmen just quoted, must always continue what it is, and ever has been, languid and unprofitable. These causes, it must likewise be remembered, originating as they do in the opinions and habits of the natives of the east, are such as not even "the ardour of individual enterprize," (whatever other miracles it may perform), can ever be expected to surmount.

To the accusation so often brought against

the Company, that they have not carried this trade to the extent of which it is capable, no more satisfactory answer need be given than a statement of the low prices fetched in India by the articles which they *do export*; for, were there any scarcity of commodities, the price of those which are exposed to sale must be prodigiously enhanced. Of the charms in use among the Hindoos, and of their wonderful effects, many marvellous stories have been related; but, it appears to me that they must have been able to fix upon the Company a spell of more than ordinary potency, whose operation has compelled them, year after year, to dispose of their goods at less than prime cost in a market where the competition of buyers must be excessive, if, as has been asserted, the supply falls so wretchedly short of the demand.

There is besides another consideration which ought to render us extremely cautious how we listen to any proposal for laying open the trade of India; and that is the danger to which we must inevitably expose our intercourse with China. I say *inevitably* because it appears to me that to resign the first mentioned traffic, and hope to preserve the last is as absurd as would be an attempt to defend the citadel after the out-works have surrendered. To remove the

restrictions on the trade with India is to place that with China in as dangerous a predicament as I conceive my watch to be in when, in the midst of a crowd, I find the chain in the hands of a pick-pocket. They are so inseparably linked together, that the fate of one cannot but be that of both. It cannot have escaped the notice of the public that, with all the precautions now employed, and with all the means of preserving tranquillity possessed by the supra-cargoes at Canton, it is not always possible to prevent offence being given to that singularly capacious and conceited people. Within these few years more than one instance of misunderstanding has arisen, and, more than once, our commercial intercourse has been suspended. In the event, therefore, of private ships being allowed to range the Indian ocean at pleasure, it is difficult to imagine that China alone can remain exempt from their visits. Laws may indeed be made to interdict their approach, but these the prospect of gain, and the chance of impunity will incite them to elude; nor is it to be supposed that men, who have made the circuit of half the globe to reap nothing but loss and disappointment, will hesitate to extend their voyage a few degrees farther in the hope of at last disposing of their cargo, and procur-

ing one in return, for which, in England, they are assured of a profitable sale. When such temptations invite them thither, what laws can have the power to prevent their entering the ports of China, or what precautions, when they have gained admission, can guard against those disputes which must inevitably occur between them and the natives of that empire? disputes which will, in a short time, ensure our total exclusion from their ports, and the ruin of that trade from which, omitting all other advantages, our revenues at present derive such prodigious benefit. To those, therefore, who ask, as some have done, Why, if the trade to India *be* of the unprofitable description that has been represented, such unwillingness should be felt to admit others to a participation of it? the Company may reply, “ We are anxious that the trade with India should remain upon its present footing, because, of however little value it may appear in one point of view, there are others in which it must be considered as of infinite importance. We object to its being laid open, not from any commercial jealousy, but because we are convinced that from the admission of the private trader, colonization, (with its inseparable train of fatal consequences), must ensue, while we are at the same time threatened with the loss of

that commerce with China, of which, both to us and the nation at large, the advantages are incalculable. Our anxiety, therefore, for the preservation of the trade with India, although in a point of view strictly commercial it may be productive of no benefit to us, is not surprising; but by you no such plea can be urged. It is we then who have some right to be surprised at the pertinacious desire you express for a share in a trade so little advantageous; nor can we, in a word, easily assign any motive for your eagerness to

“ Rob us of that which nought enriches *you*,
But makes *us* poor indeed.”

Among all the changes which have been projected, it has never, I believe, been expected or pretended that a purer administration of justice, or a government better calculated to secure the prosperity and happiness of its inhabitants, could be devised for India. Throughout the whole of their provinces the Company have established one uniform system of administration, which, while it protects the person and property of the native, is cautious not to offend his prejudices; and the fruit of which has been the

continuance of tranquillity, with fewer interruptions than this country ever experienced under its native princes. Of these benefits and blessings the Indians are fully sensible, and have, on every occasion, given proofs of their gratitude and affection to that government from whence they are derived. An appeal to these facts will, I conceive, afford a sufficient reply to those who have represented the sovereignty exercised by the Company as “a solecism in politics,” “an anomaly in government,” “a kind of imperium in imperio,” which, in times so enlightened as the present, ought not to be tolerated. In questions of this nature we can admit a reference to no standard but that of practical utility. If, indeed, we are to go beating about for solecisms, and hunting down anomalies, I know no region in which that kind of game is more abundant than in the constitution of England; notwithstanding which, I believe few who have experienced its good effects, and the happiness of living under it, are anxious for its destruction. Were we to lend an ear to every shallow-pated reformer who points out defects and inconsistencies, and to exchange what *we know* to be good for something which

he tells us would be better, we should soon be in a situation to apply to ourselves the famous inscription on the tomb of an Italian nobleman,

Stavo ben; per star meglio, sto qui

I was well; I wished to be better: here I lie!

It is, without doubt, a piece of advice, which cannot be too frequently repeated, that it is better to adhere to the old standard, even at the risk of being accused of prejudice and bigotry, than to take up with any new-coined notions; glittering indeed to the eye, but wanting the stamp of experience, which alone ought to render them current, and entitle them to be received into general circulation.

My readers will be pleased to observe that I have purposely omitted all reference to the financial and other benefits derived by the state from the East India Company, (of which, however, neither the number nor importance is small), for, although in the consideration of details they must not be omitted, yet, in the view of the subject which I have taken, their importance is comparatively trifling. From the same motive I have avoided crowding my pages with commercial calculations, which serve, in general, rather to perplex

than to discover the truth; or with columns of figures, which in skillful hands (a Reviewer's for instance!) may be so moulded, and fashioned, as to yield support to almost any doctrine. There is, however, one circumstance of which, misplaced as it may appear to some in a work of this nature, I cannot prevail on myself to omit the mention. It may perhaps be my misfortune, but I must own that I cannot behold without complacency, the spectacle of so many millions of human beings pursuing their occupations, and reaping the fruits of their labours, under the mild and upright jurisdiction of the British laws; and enjoying profound tranquillity and repose, while the rest of the world is convulsed by a tempest, of which no human foresight can discern the termination. It is, to a good mind, a refreshing spectacle to turn away from the bloodshed and desolation which overspread Europe, to the more pleasing contemplation of the happiness of Asia. A scene, such as we are there presented with, I think no man can behold without some feelings of respect for the people who have had the good sense and moderation to enjoy the blessings that are offered them, and of gratitude to the government under which they have attained so many inestimable advantages.

To the first it is due, as a small return for their fidelity to us, that we should not, upon light grounds, introduce any change of government which, by affording to private ships the uncontroulled range of the Indian ocean, may expose to outrage and insult the defenceless inhabitants of its shores; and to the latter that we should not, without even the imputation of misconduct, deprive them of the controul of those territories which they alone have acquired; which have flourished under their management, and of which they are still able and willing to secure the possession to the crown of England. That Parliament has the *power* of introducing *any* alteration it may think proper, no one ever did, or ever will attempt to deny; but that, because it has the power it therefore has the *right*, is a position more conformable with the policy and practise of the French than with any principle which I hope ever to see acted upon by an assembly of British Senators. Let them, before they determine, allow themselves time to consider whether by the supercession of *one* government, to which the Hindoos have always been accustomed to look up with reverence and respect, they may not introduce into *their* minds

a revolution unfavourable to *all*; let them act with deliberation, and not hastily lend their sanction to a measure of which the advantages are not less problematical than the justice.

There is still one other consideration, which I trust will have its due weight with all ranks of the community, and with which I will bring these imperfect observations to a close. Great as has been its success in almost every country I believe that French intrigue has never found a more favourable field for its exertions than India. They have here, but too successfully, exerted their abilities in that kind of warfare to which the genius of their nation seems peculiarly well adapted. They have insinuated themselves into the councils, and confidence, of the native princes, in some of whom they have excited a hatred of our name, and a desire for our destruction. By them have been formed those confederacies which it has demanded all our skill in politics to baffle; and by them have been organized, and led to the field those numerous and well appointed armies, which in many a well contested battle have disputed with us the empire of the east. By the blessing of Providence, these exertions have ended only in the discomfiture of their authors; we have

resisted, and subdued every effort that has been made against us, and have finally succeeded in rooting out of the peninsula every vestage of these enemies of our name and nation. It is not perhaps too much to say that in none of the native Courts is there, at this moment, a Frenchman to be found ; nor, under the present constitution of the Company, and their vigilant superintendence of the persons allowed to visit their possessions, is it practicable for even a single individual of that nation to set his foot on Indian soil. Defeated however as our enemy has been in all his machinations, and driven with disgrace from these much coveted possessions, it is notorious (even from his own avowal) that he will make the most gigantic efforts to regain the ground he has lost. From his exaltation he still looks down, with a mixture of envy and impatience, on the regions of India; unceasingly meditating the infliction of a fatal blow on our resources in that quarter, and, through them, on our national prosperity and power. The first step towards the attainment of this object of his ambition, he knows must be the introduction of his emissaries at the native Courts, who may scatter among the people the seeds of disaffection, and pave the way for the reception

of those mighty armies by which he threatens to overwhelm our dominions beyond the Ganges. The difficulties and dangers which may oppose the execution of this tremendous project, I am so far from intending to depreciate that I hope and believe that any attempt of this nature on the part of the French Emperor (if skillfully and resolutely opposed by us), would fail of success. Yet, on the other hand, acquainted as we are with the character of the man who meditates this enterprize, and with the incalculable resources which fortune has placed at his command, would it not be in us the height of madness to neglect any of those precautions which may contribute to our safety? If, at a moment like this, we will not exert our energies, if, when the enemy is preparing for the assault, the garrison reposes in indolent security, or, not content with even that, employs itself in breaking down the barriers that are already in existence, is there, or can there be, any reasonable prospect that we shall long be able to hold out? By abolishing the company, or by weakening its powers, we at once repeal, or render nugatory, those regulations which have so long secured India to us, and to India herself the enjoyment of tranquillity. By allowing private ships to

clear out from every port in England (at a time too when our country swarms with the emissaries of France), we shall open a door through which it will be impossible to prevent the passage of those, who will do their best to fill our territories with fire and the sword. It is not to be conceived how far, by the well combined, and well directed efforts of even a few individuals, the contagion may spread; nor in how short a time we may be again obliged to draw the sword in our own defence, and to incur a second time those dangers which we have once most happily surmounted. Should this event, so much to be deprecated, ever occur, I cannot doubt that the valour of our countrymen would again deliver us from the toils of our enemies; but, even if we could be assured of final success, (which, from the uncertainty of every thing human, we never can be), I should yet think it the part of true wisdom, rather to strengthen, by all practicable means, what we already possess, than to compromise its security by the adoption of those innovations which, without a full consideration of the subject, some have so incautiously recommended. Let but the question be viewed *in*

all its bearings, and we shall all agree in the opinion that the prosperity of *the one* country, the security of *the other*, and the commerce of *both*, may be best promoted by the continuance of the privileges at present vested in the East India Company.

FINIS.

HINTS
AND
OBSERVATIONS,
&c.

H I N T S

RESPECTING THE

NEGOCIATION FOR A RENEWAL

OF THE

East-India Company's Exclusive Privileges,

SUBMITTED, 4TH MARCH 1812, TO THE

Consideration of the Rt. Hon. Lord Melville,

BY THE

D E P U T A T I O N

OF

THE COURT OF DIRECTORS,

WITH

HIS LORDSHIP'S OBSERVATIONS ON THEM,

21st March, 1812.



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HINTS

*Submitted to the Consideration of the Right Hon.
LORD MELVILLE by the Deputation of the
COURT OF DIRECTORS, the 4th March, 1812.*



THAT the renewal of the Charter shall proceed upon the basis of the Act of 1793, and that no greater extension of the trade shall be granted than what was allowed by that Act; but the Deputation are ready to recommend to the Court of Directors, and ultimately to the Court of Proprietors, to admit such modifications as may be deemed necessary to give greater facilities to the private trader.

1st. No British or Indian ship to sail, directly or circuitously, from a British port in Europe to China.


2d. No British subject to be permitted to reside in China, without the Company's licence.

3d. No goods, the growth or produce of China, to be imported into any of the ports of the United Kingdom, except by the East-India Company.

4th.

LORD MELVILLE'S OBSERVATIONS

*On the Hints submitted to his Consideration by
the Deputation of the COURT OF DIRECTORS,
21st March, 1812.*



1st, 2d, and 3d. It is deemed advisable, with a view to the security of the revenue and to other objects connected with the trade to China, to leave it on its present footing, and to guard, by proper regulations, against any encroachment on that branch of the Company's exclusive privilege.

EXTRACTS HINTS.

4th. The power of levying duties in India upon British subjects, and the subjects of foreign nations, to be continued to the Company, upon the footing on which it at present exists; and the same power, with respect to British subjects, to be extended to the districts within the jurisdiction of the courts of Calcutta, Madras, Bombay, and Prince of Wales Island.

5th. Saltpetre to be considered as a political article, and to be confined exclusively to the Company.

6th. The whole of the Indian trade to be brought to the port of London, and the goods sold at the Company's sales, and to be, as at present, under the Company's management.

7th. The three per cent. now paid to the Company by the private traders, for the warehousing and management of the private trade, to be increased to five per cent.

8th.

OBSERVATIONS.

9

4th. This proposition ought to be acceded to; with the reservation, however, that the Governments in India ought to be restricted from imposing new duties, without the previous sanction of the authorities in England.

5th. The Company are understood to have, in some degree, the power of regulating the internal trade of saltpetre in India; it appears, therefore, to be scarcely necessary to impose any other restrictions on the exportation of saltpetre from India, than such as may be deemed expedient for political objects, especially in time of war.

6th. The adoption of the regulation suggested in this proposition, will probably tend to the security and advantage of the public revenue, in collecting the duties on all articles imported from the East-Indies and China, as well as other countries to the eastward of the Cape of Good Hope.

7th. The Company ought at least to be indemnified from the charges incurred by this management.

8th. No private ship to be permitted to sail for India, except from the port of London.

9th. No ship to be permitted to sail, except under a licence from the East-India Company. Ships obtaining this licence, to deliver one copy of their journals at the East-India House; and the licence to contain such clauses as may be likely to prevent an unlimited or improper intercourse of individuals with India.

10th. Fire-arms, military and naval stores, to be prohibited articles.

11th. Existing restrictions, with respect to the article of piece goods, to be continued.

12th.

8th. There does not appear to exist any sufficient reason for preventing ships from clearing out for the East-Indies from other ports of the United Kingdom besides the port of London.

9th. It will be necessary, either by the regulations suggested in this proposition, or by others of a similar description, to guard against the evil therein described.

10th. It will probably be necessary to regulate the exportation of military stores to the East-Indies, and also of naval stores in time of war.

11th. It is understood that the object of this proposition is to secure to the manufacturers of piece goods in India the continuance of regular and constant employment, under the same system of local management, for their benefit, which prevails at present. If that object is likely to be attained, without continuing the restrictions mentioned in this proposition, it certainly would be desirable that they should cease, except in so far as it may be necessary to regulate the impor-

12th. It being desirable, as well for the Public as for the Company, that the quality of the silk grown in India should not be deteriorated, it is submitted that this article be confined to the Company.

13th. The ships of private persons to be subject to the same regulations, in respect to convoys, &c. as those belonging to the Company.

14th. No private ship to be permitted to sail, either from Great Britain to India, or from India to Great Britain, of a less burthen than four hundred tons.

15th.

tation of Indian piece goods, with a view to the protection of British manufactures.

12th. As no such restriction exists at present in the importation of silk by private merchants, and as the reasons which have hitherto been adduced, on the part of the Court of Directors, for establishing such a regulation, though entitled to much consideration, do not appear to be conclusive, it will scarcely be deemed expedient to agree to this proposal.

13th. This suggestion appears to be perfectly reasonable.

14th. It is understood, that this proposition is founded on a principle of guarding against the dangers to which vessels of less burthen than four hundred tons would be exposed on a voyage to the East-Indies, and also of providing for the security of the revenue, which might be affected by permitting importations in smaller vessels. These reasons, though entitled to due consideration, do not appear to be sufficiently strong to justify the proposed restriction, or the making a distinction, in that respect, between ships trading to the East-Indies and to other countries.

15th.

15th. The Company to be subject to no obligation with respect to exports to India, except in common with the private traders.

16th. The Lascars and Chinese sailors brought home in private ships to be placed under proper regulations. Not, upon any account, to be suffered to wander about the streets of London. Good treatment to be secured to them, and the Company to be enabled, by some summary process, to recover the expences to which they shall be subjected, in the event of neglect on the part of the owners of such ships in these respects.

17th. The Company to be indemnified for their unexpired engagements for extra shipping, provided for the accommodation of the private traders.

18th. An unrestrained intercourse with India to be prevented, and the existing restrictions, with respect to residence in India, to be continued.

19th.

OBSERVATIONS.

15

15th. This seems to be reasonable.

16th. It will be necessary to provide, by proper regulations, for the care and maintenance of these persons, and for their return to the East-Indies.

17th. This proposal would be wholly inadmissible, unless it were limited to such unexpired engagements as do not extend beyond March 1814, when the Company's present term of exclusive privileges will expire; but the Public may fairly look to the Company to bear this burthen, as a compensation, to a certain extent, for the continuance of the exclusive trade to China.

18th. It will be indispensably necessary, for the purpose of guarding against the inconvenience herein alluded to, that the existing restrictions shall

19th. The number of His Majesty's forces in India to be in future maintained by the East-India Company to be now fixed, and any troops sent beyond that number (except at the express requisition of the East-India Company) to be at the charge of the Public.

20th. The Company to be released from any future account with the Pay Office, and to be henceforward charged, either so much per regiment of a given force, or so much per man.

21st. The present heavy current and postponed demands of the Pay Office against the Company to be arranged upon some footing of general equity, and some advertance in settling this account made to the share which the Company have been obliged to bear in foreign captures not retained by them, and to their having been constrained to maintain an European and native force, larger than what was required for the defence of the Peninsula, and other heavy expences.

shall be continued, with such alterations as may be requisite, in the new system of trade.

19th. The number of His Majesty's forces to be maintained by the East-India Company may, without inconvenience, be limited, as herein suggested. It will be necessary, however, in consequence of the increased extent of the British territories in India, since the passing of the Act by which the number is at present regulated, that a considerable addition should be made to it.

20th. It will be necessary, that the present system of accounting between the East-India Company and the Paymaster General should be abolished, and new regulations enacted.

21st. These demands must necessarily be arranged on the principles suggested by the Committees of the House of Commons, who have reported upon the subject of the accounts herein referred to. If it were necessary or proper, in discussing the future regulations which it may be deemed advisable to establish, respecting the affairs of the East-India Company, there would be no difficulty in demonstrating, that the amount of force maintained in India has not gone beyond what was requisite for the defence and secu-

22d. The Proprietors to be secured, as at present, in the receipt of their dividend of ten and a half per cent., upon the faith of which dividend the capital in 1793 was raised.

23d. The whole of the surplus of the East-India Company to be appropriated to a diminution of their debts, until the debts be reduced to the sum of ten millions sterling.

24th. The sums required by the East-India Company to liquidate the debt transferred from India to Europe, and becoming payable in 1812 and 1813, to be funded by the Minister, the interest of which shall be regularly paid into His Majesty's Exchequer by the Company, together with any such per centage, for the gradual liquidation of the capital or redemption of the fund,

city of the Company's possessions, and for other operations, intimately and inseparably connected with those objects,

22d. The Proprietors ought to be secured, as at present, in their dividend of ten and a half per cent.

23d. The whole of the surplus funds of the East-India Company, at home and abroad, ought to be applied, in the first instance, to the reduction of debt, till it is reduced in India to the sum of ten millions, and the bond debt at home to the sum of three millions, after providing for a proportionate encrease of the capital stock of the Company, if they shall think fit to avail themselves of the power now vested in them by law to that effect.

24th. It is intended to submit to Parliament a proposition to that effect, or similar in substance.

fund, as shall be deemed proper by His Majesty's Ministers.

The twenty-fifth article did not form a part of the propositions submitted to Lord Melville, but is now introduced by the Committee of Correspondence, and is as follows, *viz.*

25th. That, in order to give the utmost possible extension to the commerce of private merchants, and at the same time to secure the Company's exclusive trade to and from China, private ships be not permitted to go farther eastward than Point Romania, at the entrance of the China Seas, and to the northward, not beyond the equinoctial line.

N. B. Should it be the intention of Government that private traders shall be excluded from the Spice Islands, the limits ought then to be for them not to go to the eastward of the Straits of Bally, nor to the northward of the Line.

25th. If the object adverted to in this proposition can be obtained by exclusion from the dominions of the Emperor of China, and a prohibition to import the produce of that country without license from the Company, it will be preferable to the mode herein suggested. There seems to be no reason for excluding the private trade from the Spice Islands.

THE END.

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CONTAINED IN A

LETTER

On the Subject of

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OF THE

East India Company's Charter.

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VIRGILIUS

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GENERAL THOUGHTS,

&c. &c.

I FEEL so impressed with a conviction of the impolicy of renewing the East India Company's Charter of Monopoly, from the reasonings I have occasionally entered into, grounded upon what information I could collect; and the nature of the Administration of our public affairs, to which the investigation of this question belongs, being such as to hold out little hope of a wise and impartial decision, that I cannot resist the inducements I feel, to contribute, however humbly, towards the public welfare involved in this discussion, by employing my scattered moments of leisure from a laborious profession in furthering that information which may belong to the subject; hopeful, that if ultimately it shall clearly appear to the good sense of the People of England,

that the present monopoly is impolitic, the People will assert their rights, and themselves instruct their representatives in parliament to oppose its renewal.

The palpable neglect of every subject relating to India has long been confessed, it has been complained of by those members of the House of Commons who take some interest in Indian affairs ; and I find in the speech of a Director of the East India Company, member of that House, an apology at the outset for occupying the attention of parliament with such subjects, to which it was so little accustomed to listen with patience. The fact is, the attention of ministers has been always engaged upon matters of greater interest to them. Like the managers of an extensive concern, they have left the arrangement of subordinate measures to their adherents, and, absorbed in the multiplicity of more immediate interests, have revolted at a chaos of matter that would add an enormous increase to their burden. Men naturally recede from inspecting or interfering in a labyrinth that would bewilder and

present in its recesses only a complication of disaster, confusion, impolicy, and the accumulated ills of neglect and mismanagement. So it has been with our ministers. The persons stiled the "Honourable Directors," in Leadenhall Street, have been allowed to govern a dominion of enormous extent, controuled only by a committee of a few persons, the greater part of them members of a ministry prominently engaged in other pursuits, and who cannot be supposed to give any adequate attention to a branch of policy confessedly slighted by the parliament.

Such then being the inattention of Government to the affairs of India, it is not matter of surprise that gross evils should have accumulated in the neglected system. The Company have been allowed to combine the two most incongruous functions of Merchants and Sovereigns, the consequence is, they have failed in the duties of both. At this moment they are in a state of insolvency, and are giving the greatest dissatisfaction as rulers.—The mischiefs resulting from the one communicate evils to the

other, and so reciprocally. A Company so informal in its constitution, and so irreconcilable with sound principles of public policy, never can succeed. Adam Smith's opinions on Joint Stock Companies deserve particular attention, and enforce this conclusion no less by sound reasoning than practical experience :

“Public Companies, though they may perhaps have been useful for the first introduction of some branches of commerce, by making, at their own expence, an experiment which the State might not think it prudent to make, have in the long run proved universally either burdensome or useless, and have either mismanaged or confined the trade.

“The constant view of such Companies is always to raise the rate of their own profit as high as they can, to keep the market both for the goods which they export, and for those which they import, as much understocked as they can, which can be done only by restraining the competition, or by discouraging new adventurers from entering

the trade. In all trades the regular established traders, even though not incorporated, naturally combine to raise profits, which are no way so likely to be kept, at all times, down to their proper level, as by the occasional competition of speculative adventurers.

“ The trade of a Joint Stock Company is always managed by a Court of Directors. This Court indeed is frequently subject, in many respects, to the controul of a General Court of Proprietors ; but the greater part of these Proprietors seldom pretend to understand any thing of the business of the Company ; and when the spirit of faction happens not to prevail among them give themselves no trouble about it, but receive contentedly such half-yearly or yearly dividend as the Directors think proper to make to them. The Directors of such Companies, however, being the managers rather of other people's money than of their own, it cannot well be expected that they should watch over it with the same anxious vigilance with which the partners in a private copartnery frequently

watch over their own : like the stewards of a rich man, they are apt to consider attention to small matters as not for their master's honour, and very easily give themselves a dispensation from having it : negligence and profusion, therefore, must always prevail, more or less, in the management of the affairs of such a Company. It is upon this account, that Joint Stock Companies for foreign trade have seldom been able to maintain the competition against private adventurers. They have, accordingly, very seldom succeeded without an exclusive privilege, and frequently have not succeeded with one. Without an exclusive privilege they have commonly mismanaged the trade. With an exclusive privilege they have both mismanaged and confined it.

“The Royal African Company, the predecessors of the present African Company, had an exclusive privilege by charter ; but as that charter had not been confirmed by act of parliament, the trade, in consequence of the declaration of rights, was, soon after the revolution, laid open to all his Majesty's sub-

jects. The Hudson's Bay Company are, as to their legal rights, in the same situation as the Royal African Company. Their exclusive charter has not been confirmed by act of parliament. The South Sea Company, as long as they continued to be a trading company, had an exclusive privilege confirmed by act of parliament; as have likewise the present United Company of Merchants trading to the East Indies.

"The Royal African Company soon found that they could not maintain the competition against private adventurers, whom, notwithstanding the declaration of rights, they continued for some time to call interlopers, and to persecute as such. In 1698, however, the private adventurers were subjected to a duty of ten per cent. upon almost all the different branches of their trade, to be employed by the Company in the maintenance of their forts and garrisons. But, notwithstanding this heavy tax, the Company were still unable to maintain the competition. Their stock and credit gradually declined. In 1712, their debts had become so great

that a particular act of parliament was thought necessary, both for their security and for that of their creditors. It was enacted that the resolution of two-thirds of these creditors, in number and value, should bind the rest, both with regard to the time which should be allowed to the Company for the payment of their debts, and with regard to any other agreement which it might be thought proper to make with them concerning those debts. In 1730 their affairs were in so great disorder that they were altogether incapable of maintaining their forts and garrisons, the sole purpose and pretext of their Institution. From that year till their final dissolution, the parliament judged it necessary to allow the annual sum of ten thousand pounds for that purpose. In 1732, after having been for many years losers by the trade of carrying negroes to the West Indies, they at last resolved to give it up altogether, to sell to the private traders to America the negroes which they purchased upon the coast, and to employ their servants in trade to the inland parts of Africa for

gold dust, elephants' teeth, dying drugs, &c. But their success in this more confined trade was not greater than in their former extensive one. Their affairs continued to go gradually to decline; till at last, being in every respect a bankrupt Company, they were dissolved by act of parliament, and their forts and garrisons vested in the present regulated Company of Merchants trading to Africa. Before the erection of the Royal African Company, there had been three other Joint Stock Companies successively established, one after another, for the African trade. They were all equally unsuccessful. They all, however, had exclusive charters, which, though not confirmed by act of parliament, were in those days supposed to convey a real exclusive privilege.

“The Hudson's Bay Company, before their misfortunes in the late war, had been much more fortunate than the Royal African Company. Their necessary expence is much smaller. The whole number of people whom they maintain in their different settlements and habitations, which they have

honoured with the name of Forts, is said not to exceed a hundred and twenty persons. This number, however, is sufficient to prepare before-hand, the cargo of furs and other goods necessary for loading their ships, which, on account of the ice, can seldom remain above six or eight weeks in those seas. This advantage of having a cargo ready prepared, could not, for several years, be acquired by private adventurers, and without it there seems to be no possibility of trading to Hudson's Bay. The moderate capital of the Company, which, it is said, does not exceed one hundred and ten thousand pounds, may, besides, be sufficient to enable them to engross the whole, or almost the whole trade and surplus produce of the miserable, though extensive country, comprehended within their charter. No private adventurers, accordingly, have ever attempted to trade to that country in competition with them. This Company, therefore, have always enjoyed an exclusive trade in fact, though they may have no right to it in law. Over and above all this, the moderate capital

of this Company is said to be divided among a very small number of proprietors. But a Joint Stock Company, consisting of a small number of proprietors, with a moderate capital, approaches very nearly to the nature of a private copartnery, and may be capable of nearly the same degree of vigilance and attention. It is not to be wondered at, therefore, if, in consequence of these different advantages, the Hudson's Bay Company had, before the late war, been able to carry on their trade with a considerable degree of success. It does not seem probable, however, that their profits ever approached to what the late Mr. Dobbs imagined them. A much more sober and judicious writer, Mr. Anderson, author of *The Historical and Chronological Deduction of Commerce*, very justly observes, that upon examining the accounts which Mr. Dobbs himself has given for several years together of their exports and imports, and upon making proper allowances for their extraordinary risk and expence, it does not appear that their profits deserve to be envied, or that they

can much, if at all, exceed the ordinary profits of trade.

“The South Sea Company never had any forts or garrisons to maintain, and therefore were entirely exempted from one great expence to which other Joint Stock Companies for foreign trade are subject. But they had an immense capital divided among an immense number of proprietors. It was naturally to be expected, therefore, that folly, negligence, and profusion, should prevail in the whole management of their affairs. The knavery and extravagance of their stock-jobbing projects are sufficiently known, and the explication of them would be foreign to the present subject. Their mercantile projects were not much better conducted. The first trade which they engaged in, was that of supplying the Spanish West Indies with negroes, of which (in consequence of what was called the Assiento contract granted them by treaty of Utrecht) they had the exclusive privilege. But as it was not expected that much profit could be made by this trade, both the Portuguese and French Com-

panies who had enjoyed it upon the same terms before them having been ruined by it, they were allowed, as compensation, to send annually a ship of a certain burden, to trade directly to the Spanish West Indies. Of the ten voyages which this annual ship was allowed to make, they are said to have gained considerably by one, that of the *Royal Caroline* in 1731; and to have been losers, more or less, by almost all the rest. Their ill success was imputed by their factors and agents to the extortion and oppression of the Spanish government, but was, perhaps, principally owing to the profusion and depredations of those very factors and agents, some of whom are said to have acquired great fortunes even in one year. In 1734, the Company petitioned the king that they might be allowed to dispose of the trade and tonnage of their annual ship, on account of the little profit which they made by it, and to accept of such equivalent as they could obtain from the king of Spain.

“In 1724, this Company had undertaken the whale fishery. Of this, indeed,

no monopoly ; but as long as they carried it on, no other British subjects appear to have engaged in it. Of the eight voyages which their ships made to Greenland, they were gainers by one and losers by all the rest. After their eighth and last voyage, when they had sold their ships, stores, and utensils, they found that their whole loss, upon this branch, capital and interest included, amounted to upwards of two hundred and thirty-seven thousand pounds.

In 1722, this company petitioned the Parliament to be allowed to divide their immense capital of more than thirty-three millions eight hundred thousand pounds, the whole of which had been lent to government, into two equal parts: the one half, or upwards of sixteen millions nine hundred thousand pounds, to be put upon the same footing with other government annuities, and not to be subject to the debts contracted, or losses incurred, by the Directors of the Company, in the prosecution of their mercantile projects ; the other half to remain as before, a trading stock, and to be subject to those

debts and losses. The petition was too reasonable not to be granted. In 1733, they again petitioned the Parliament, that three-fourths of their trading stock might be turned into annuity stock, and only one-fourth remain as trading stock, or exposed to the hazards arising from the bad management of their Directors. Both their annuity and trading stocks had, by this time, been reduced more than two millions each, by several different payments from Government; so that this fourth amounted only to 3,662,784l. 8s. 6d. In 1748, all the demands of the Company upon the king of Spain, in consequence of the Assiento contract, were, by the treaty of Aix-la-Chapelle, given up for what was supposed an equivalent. An end was put to their trade with the Spanish West Indies; the remainder of their trading stock was turned into an annuity stock; and the Company ceased, in every respect, to be a trading company.

“It ought to be observed, that in the trade which the South Sea Company carried on by means of their annual ship, the only

trade by which it ever was expected that they could make any considerable profit, they were not without competitors, either in the foreign or in the home-market. At Carthagena, Porto Bello, and La Vera Cruz, they had to encounter the competition of the Spanish merchants, who brought from Cadiz to those markets, European goods, of the same kind with the outward cargo of their ship; and in England they had to encounter that of the English merchants, who imported from Cadiz goods of the Spanish West Indies, of the same kind with the inward cargo. The goods, both of the Spanish and English merchants, indeed, were perhaps subject to higher duties. But the loss occasioned by the negligence, profusion, and malversation, of the servants of the Company, had probably been a tax much heavier than all those duties. That a Joint Stock Company should be able to carry on successfully any branch of foreign trade, when private adventurers can come into any sort of open and fair competition with them, seems contrary to all experience.

“ The old English East India Company was established in 1600, by a charter from Queen Elizabeth. In the first twelve voyages which they fitted out for India, they appear to have traded as a regulated company, with separate stocks, though only in the general ships of the Company. In 1612 they united into a joint stock. Their charter was exclusive, and, though not confirmed by act of parliament, was in those days supposed to convey a real exclusive privilege. For many years, therefore, they were not much disturbed by interlopers. Their capital, which never exceeded seven hundred and forty-four thousand pounds, and of which fifty pounds was a share, was not so exorbitant, nor their dealings so extensive, as to afford either a pretext for gross negligence and profusion, or a cover to gross malversation. Notwithstanding some extraordinary losses, occasioned partly by the malice of the Dutch East India Company, and partly by other accidents, they carried on for many years a successful trade. But in process of time, when the principles of liberty were better

understood, it became every day more and more doubtful how far a royal charter, not confirmed by act of parliament, could convey an exclusive privilege. Upon this question the decisions of the Courts of Justice were not uniform, but varied with the authority of Government and the humours of the times. Interlopers multiplied upon them; and towards the end of the reign of Char. II. through the whole of that of James II. and during a part of that of William III. reduced them to great distress. In 1698, a proposal was made to Parliament of advancing two millions to Government at eight per cent. provided the subscribers were erected into a new East India Company, with exclusive privileges. The old East India Company offered seven hundred thousand pounds, nearly the amount of their capital, at four per cent. upon the same conditions. But such was at that time the state of public credit, that it was more convenient for Government to borrow two millions at eight per cent. than seven hundred thousand pounds at four. The proposal of the new

subscribers was accepted, and a new East India Company established in consequence. The old East India Company, however, had a right to continue their trade till 1701. They had, at the same time, in the name of their treasurer, subscribed very artfully three hundred and fifteen thousand pounds in the stock of the new. By a negligence in the expression of the act of parliament which vested the East India trade in the subscribers to this loan of two millions, it did not appear evident that they were all obliged to unite in a Joint Stock. A few private traders, whose subscriptions amounted only to seven thousand two hundred pounds, insisted upon the privilege of trading separately upon their own stocks, and at their own risk. The old East India Company had a right to a separate trade upon their old stock till 1701 ; and they had likewise, both before and after that period, a right, like that of other private traders, to a separate trade upon the three hundred and fifteen thousand pounds which they had subscribed into the stock of the new Company. The competi-

tion of the two Companies with the private traders, and with one another, is said to have well nigh ruined both. Upon a subsequent occasion, in 1730, when a proposal was made to Parliament for putting the trade under the management of a regulated Company, and thereby laying it in some measure open, the East India Company, in opposition to this proposal, represented in very strong terms, what had been, at this time, the miserable effects, as they thought them, of this competition. In India, they said, it raised the price of goods so high that they were not worth the buying; and in England, by overstocking the market, it sunk their price so low that no profit could be made by them. That by a more plentiful supply, to the great advantage and conveniency of the public, it must have reduced, very much, the price of India goods in the English market, cannot well be doubted; but that it should have raised very much their price in the Indian market, seems not very probable, as all the extraordinary demand which that competition could occasion must have been

but as a drop of water in the immense ocean of Indian commerce. The increase of demand, besides, though in the beginning it may sometimes raise the price of goods, never fails to lower it in the long-run. It encourages production, and thereby increases the competition of the producers, who, in order to undersell one another, have recourse to new divisions of labour and new improvements of art which might never otherwise have been thought of. The miserable effects of which the Company complained were the cheapness of consumption and the encouragement given to production, precisely the two effects which it is the great business of political economy to promote. The competition, however, of which they gave this doleful account, had not been allowed to be of long continuance. In 1702, the two Companies were in some measure united by an indenture tripartite, to which the queen was the third party ; and in 1708, they were, by act of parliament, perfectly consolidated into one Company, by their present name of the United Company of Merchants

trading to the East Indies. Into this act it was thought worth while to insert a clause allowing the separate traders to continue their trade till Michaelmas 1711; but at the same time empowering the Directors, upon three years notice, to redeem their little capital of seven thousand two hundred pounds, and thereby to convert the whole stock of the Company into a Joint Stock. By the same act, the capital of the Company, in consequence of a new loan to Government, was augmented from two millions to three millions two hundred thousand pounds. In 1743, the Company advanced another million to Government; but this million being raised, not by a call upon the proprietors, but by selling annuities and contracting bond-debts, it did not augment the stock upon which the proprietors could claim a dividend. It augmented, however, their trading stock, it being equally liable with the other three millions two hundred thousand pounds, to the losses sustained and debts contracted by the Company in prosecution of their mercantile projects. From 1709, or at least

from 1711, this Company, being delivered from all competitors, and fully established in the monopoly of the English commerce to the East Indies, carried on a successful trade, and, from their profits, made annually a moderate dividend to their proprietors. During the French war, which began in 1741, the ambition of Mr. Dupleix, the French governor of Pondicherry, involved them in the wars of the Carnatic, and in the politics of the Indian princes. After many signal successes, and equally signal losses, they at last lost Madras, at that time their principal settlement in India. It was restored to them by the treaty of Aix-la-Chapelle; and, about this time, the spirit of war and conquest seems to have taken possession of their servants in India, and never since to have left them. During the French war which began in 1755, their arms partook of the general good fortune of those of Great Britain. They defended Madras, took Pondicherry, recovered Calcutta, and acquired the revenues of a rich and extensive territory, amounting, it was then said, to upwards of

three millions a-year. They remained for several years in quiet possession of this revenue; but in 1767, administration laid claim to their territorial acquisitions, and the revenue arising from them, as of right belonging to the crown; and the Company, in compensation for this claim, agreed to pay to Government four hundred thousand pounds a-year. They had, before this, gradually augmented their dividend from about six to ten per cent.; that is, upon their capital of three millions two hundred thousand pounds, they had increased it by a hundred and twenty-eight thousand pounds, or had raised it from one hundred and ninety-two thousand, to three hundred and twenty thousand pounds a-year. They were attempting, about this time, to raise it still further, to twelve and a half per cent. which would have made their annual payments to their proprietors equal to what they had agreed to pay annually to Government, or to four hundred thousand pounds, a-year. But during the two years in which their agreement with Government was to take

place, they were restrained from any further increase of dividend by two successive acts of parliament, of which the object was to enable them to make a speedier progress in the payment of their debts, which were at this time estimated at upwards of six or seven millions sterling. In 1760, they renewed their agreement with Government for five years more, and stipulated, that during the course of that period, they should be allowed gradually to increase their dividend to twelve and a half per cent. ; never increasing it, however, more than one per cent. in one year. This increase of dividend, therefore, when it had risen to its utmost height, could augment their annual payments, to their Proprietors and Government together, but by six hundred and eight thousand pounds, beyond what they had been before their late territorial acquisitions. What the gross revenue of those territorial acquisitions was supposed to amount to, has already been mentioned ; and by an account brought by the Cruttenden East Indiaman in 1768, the neat revenue,

litary charges, was stated at two millions forty-eight thousand seven hundred and forty-seven pounds. They were said, at the same time, to possess another revenue, arising partly from lands, but chiefly from the customs established at their different settlements, amounting to four hundred and thirty-nine thousand pounds. The profits of their trade, too, according to the evidence of their Chairman before the House of Commons, amounted, at this time, to at least four hundred thousand pounds a-year; according to that of their Accountant, to at least five hundred thousand; according to the lowest account, at least equal to the highest dividend that was to be paid to their proprietors. So great a revenue might certainly have afforded an augmentation of six hundred and eight thousand pounds in their annual payments; and, at the same time, have left a large sinking fund, sufficient for the speedy reduction of their debt. In 1773, however, their debts, instead of being reduced, were augmented by an order to the Treasury, in the payment

of the four hundred thousand pounds; by another to the Custom-house, for duties unpaid; by a large debt to the Bank, for money borrowed; and by a fourth, for bills drawn upon them from India, and wantonly accepted, to the amount of upwards of twelve hundred thousand pounds. The distress which these accumulated claims brought upon them, obliged them not only to reduce all at once their dividend to six per cent. but to throw themselves upon the mercy of Government, and to supplicate, first, a release from the further payment of the stipulated four hundred thousand pounds a year; and, secondly, a loan of fourteen hundred thousand, to save them from immediate bankruptcy. The great increase of their fortune had, it seems, only served to furnish their servants with a pretext for greater profusion, and a cover for greater malversation, than in proportion even to that increase of fortune. The conduct of their servants in India, and the general state of their affairs both in India and in Europe, became the subject of a parliamentary in-

quity : in consequence of which, several very important alterations were made in the constitution of their government, both at home and abroad. In India, their principal settlements of Madras, Bombay, and Calcutta, which had before been altogether independent of one another, were subjected to a Governor-general, assisted by a Council of four Commissioners, Parliament assuming to itself the first nomination of this governor and council, who were to reside at Calcutta; that city having now become, what Madras was before, the most important of the English settlements in India. The court of the mayor of Calcutta, originally instituted for the trial of mercantile causes, which arose in the city and neighbourhood, had gradually extended its jurisdiction with the extension of the empire. It was now reduced and confined to the original purpose of its institution. Instead of it, a new supreme court of judicature was established, consisting of a chief justice and three judges, to be appointed by the Crown. In Europe, the qualification necessary to entitle a proprietor to vote at their

general courts, was raised from five hundred pounds, the original price of a share in the stock of the Company, to a thousand pounds. In order to vote upon this qualification, too, it was declared necessary, that he should have possessed it, if acquired by his own purchase, and not by inheritance, for at least one year, instead of six months, the term requisite before. The court of twenty-four directors had before been chosen annually; but it was now enacted, that each Director should, for the future, be chosen for four years; six of them, however, to go out of office by rotation every year, and not be capable of being re-chosen at the election of the six new Directors for the ensuing year. In consequence of these alterations, the courts, both of the proprietors and directors, it was expected, would be likely to act with more dignity and steadiness than they had usually done before. But it seems impossible, by any alterations, to render those courts, in any respect, fit to govern, or even to share in the government of a great empire; because the greater part of their members

must always have too little interest in the prosperity of that empire, to give any serious attention to what may promote it. Frequently a man of great, sometimes even a man of small fortune, is willing to purchase a thousand pounds share in India stock, merely for the influence which he expects to acquire by a vote in the Court of Proprietors. It gives him a share, though not in the plunder, yet in the appointment of the plunderers of India ; the Court of Directors, though they make that appointment, being necessarily more or less under the influence of the proprietors, who not only elect those Directors, but sometimes over-rule the appointments of their servants in India. Provided he can enjoy this influence for a few years, and thereby provide for a certain number of his friends, he frequently cares little about the dividend, or even about the value of the stock upon which his vote is founded. About the prosperity of the great empire, in the government of which that vote gives him a share, he seldom cares at all. No other sovereigns ever well, or, from the

nature of things, ever could be, so perfectly indifferent about the happiness or misery of their subjects, the improvement or waste of their dominions, the glory or disgrace of their administration, as, from irresistible moral causes, the greater part of the proprietors of such a mercantile company are, and necessarily must be. This indifference too, was more likely to be increased than diminished, by some of the new regulations which were made in consequence of the parliamentary inquiry. By a resolution of the House of Commons, for example, it was declared, that when the fourteen hundred thousand pounds lent to the Company by Government should be paid, and their bond-debts be reduced to fifteen hundred thousand pounds, they might then, and not till then, divide eight per cent. upon their capital; and that whatever remained of their revenues and neat profits at home, should be divided into four parts; three of them to be paid into the Exchequer for the use of the public, and the fourth to be reserved as a fund, either for the further reduction of their bond-debts,

or for the discharge of other contingent exigencies, which the Company might labour under. But if the Company were bad stewards, and bad sovereigns, when the whole of their neat revenue and profits belonged to themselves, and were at their own disposal, they were surely not likely to be better, when three fourths of them were to belong to other people, and the other fourth, though to be laid out for the benefit of the Company, yet to be so, under the inspection, and with the approbation, of other people.

“It might be more agreeable to the Company, that their own servants and dependants should have either the pleasure of wasting, or the profit of embezzling, whatever surplus might remain, after paying the proposed dividend of eight per cent. than that it should come into the hands of a set of people, with whom those resolutions could scarce fail to set them, in some measure, at variance. The interest of those servants and dependants might so far predominate in the court of proprietors, as sometimes to dispose it to support the authors of depredations

which had been committed, in direct violation of its own authority. With the majority of proprietors, the support even of the authority of their own court might sometimes be a matter of less consequence, than the support of those who had set that authority at defiance.

“ The regulations of 1773, accordingly, did not put an end to the disorders of the Company’s government in India. Notwithstanding that, during a momentary fit of good conduct, they had at one time collected into the treasury of Calcutta, more than three millions sterling ; notwithstanding that they had afterwards extended, either their dominion, or their depredations, over a vast accession of some of the richest and most fertile countries in India ; all was wasted and destroyed. They found themselves altogether unprepared to stop or resist the incursion of Hyder Ali ; and in consequence of those disorders, the Company is now (1784) in greater distress than ever ; and, in order to prevent immediate bankruptcy, is once more reduced to supplicate the assist-

ance of Government. Different plans have been proposed by the different parties in Parliament, for the better management of its affairs. And all those plans seem to agree in supposing, what was indeed always abundantly evident, that it is altogether unfit to govern its territorial possessions. Even the Company itself seems to be convinced of its own incapacity so far, and seems, upon that account, willing to give them up to Government.

“ With the right of possessing forts and garrisons in distant and barbarous countries, is necessarily connected the right of making peace and war in those countries. The Joint Stock Companies, which have had the one right, have constantly exercised the other, and have frequently had it expressly conferred upon them. How unjustly, how capriciously, how cruelly they have commonly exercised it, is too well known from recent experience

“ When a company of merchants undertake, at their own risk and expence, to establish a new trade with some remote and

barbarous nation, it may not be unreasonable to incorporate them into a Joint Stock Company, and to grant them, in case of their success, a monopoly of the trade for a certain number of years. It is the easiest and most natural way in which the state can recompense them for hazarding a dangerous and expensive experiment, of which the public is afterwards to reap the benefit. A temporary monopoly of this kind may be vindicated, upon the same principles upon which a like monopoly of a new machine is granted to its inventor, and that of a new book to its author. But upon the expiration of the term, the monopoly ought certainly to determine; the forts and garrisons, if it was found necessary to establish any, to be taken into the hands of Government, their value to be paid to the Company, and the trade to be laid open to all the subjects of the state. By a perpetual monopoly, all the other subjects of the state are taxed very absurdly in two different ways; first, by the high price of goods, which, in the case of a free trade, they could buy much cheaper; and

secondly, by their total exclusion from a branch of business, which it might be both convenient and profitable for many of them to carry on. It is for the most worthless of all purposes, too, that they are taxed in this manner. It is merely to enable the Company to support the negligence, profusion, and malversation of their own servants, whose disorderly conduct seldom allows the dividend of the Company to exceed the ordinary rate of profit in trades which are altogether free, and very frequently makes it fall even a good deal short of that rate. Without a monopoly, however, a Joint Stock Company, it would appear from experience, cannot long carry on any branch of foreign trade. To buy in one market, in order to sell with profit in another, when there are many competitors in both ; to watch over, not only the occasional variations in the demand, but the much greater and more frequent variations in the competition, or in the supply which that demand is likely to get from other people, and to suit with dexterity and judgment, both the quantity and quality of each

assortment of goods to all these circumstances; is a species of warfare, of which the operations are continually changing, and which can scarce ever be conducted successfully, without such an unremitting exertion of vigilance and attention, as cannot long be expected from the directors of a Joint Stock Company. The East India Company, upon the redemption of their funds, and the expiration of their exclusive privilege, have a right, by act of parliament, to continue a corporation with a joint stock, and to trade in their corporate capacity to the East Indies, in common with the rest of their fellow subjects. But in this situation, the superior vigilance and attention of private adventurers would, in all probability, soon make them weary of the trade.

“An eminent French author, of great knowledge in matters of political economy, the Abbe Morellet, gives a list of fifty-five Joint Stock Companies for foreign trade, which have been established in different parts of Europe since the year ^{*}1600, and which, according to him, have all failed from

mismanagement, notwithstanding they had exclusive privileges. He has been misinformed with regard to the history of two or three of them, which were not Joint Stock Companies, and have not failed. But in compensation, there have been several Joint Stock Companies which have failed, and which he has omitted."

Thus far Adam Smith, the first authority I can desire. It is an anomaly of the grossest nature, that the East India Company should be allowed so far to impose on the credulous, as to sustain a belief of an advantageous profit to holders of their stock, by paying a dividend of ten and a half per cent. when, in fact, they have nothing at the credit of profit and loss, in order to divide; and, when they are unable to discharge their enormous debt of thirty-two millions, costing government extensive advances for their support; for this the nation suffers, and the people are taxed; for, like the Bank of England, this Company has always managed to keep up a sufficient influence with government to obtain whatever it wanted.

The people would do well to lift their voice against so improvident an expenditure of the money wrung from them in taxes, to carry on for a while this bankrupt Company.

That merchants should not be sovereigns, will appear a self-evident proposition to those not blinded by prejudice. To their present blending of those incompatible offices, the Company must ascribe, *à priori*, the revolt of their army, from which the loss of India might have ensued. The Company's deficiency of resources, their insolvency at home, their incompetency almost to meet their engagements, were the causes of that parsimony abroad which checked every magnificent design for the promotion of literature, which rendered their duties as rulers subservient to their necessities as traders, and which was the origin of that penurious illiberality towards their gallant soldiers, that led afterwards to the secession of those brave but unfortunate men, in an unthinking moment, when they had been aggravated beyond all measure—a secession that never would have occurred under

a government more wise and less embarrassed. When the allowances of a Government to its servants are shaped to the existing state of its treasury, all regularity of service to that government is at an end.

I hold it as a primary principle that all dominion, of any magnitude, should belong to the public government of a country—that there should be no second government—and I consider that to deprive the English nation of so material a part of its rightful dominions as India, merely because patronage would otherwise abound to the Minister, would be a like argument to holding that the Army or the Navy should be taken out of his hands, on the ground that by appointing his friends, he converts them into a source of influence.

If too much patronage accrues, by the accession of India to the Minister, let that general patronage which necessarily falls to him in the administration of affairs of the country at large, be restrained ; or, let some Minister be found who will not abuse it ; but let not the East India Company involve this nation in disaster, endanger the security

of our Indian empire, and bring ruin on its members and adherents, by the continuance of a Sovereignty which it is incompetent to exercise. Connected with this subject, of course, is the consideration of incorporating the Company's army with the King's. To prevent the disagreements and well-founded jealousies growing out of the present system, and in pursuance of the same idea I profess in regard to the empire at large, I conceive that the entire administration of the affairs of India, civil and military, ought to be vested in the hands of Government, for this plain reason, that a company of merchants are neither fitted by education, by disposition, by habit, or capacity to administer like statesmen.

Even the election to fill the Directorships of that Company is truly in unison with the other objectionable properties of the East India system. Long before a vacancy in the Direction occurs, two or three needy men, who have families to provide for by giving them appointments as servants to the Company, assiduously pay their court to every

person who happens to buy a vote at the India House, and solicit, in terms of uncommon earnestness and excessive submission, the favor of his or her vote and *interest*. The fortunate individual who is lucky enough to be connected with any of the members of the Court of Directors, or to be able to bring up a sufficient body of friends among the heterogeneous materials of the proprietary, to ensure him a majority, may confidently expect to fill the first vacancy, whatever may be his age or qualifications; accordingly, in many instances, influence and *weight* have been preferred before ability and merit, inexperience and incapacity before years and wisdom. Such a system never can contribute to uphold the ineffective substitutes these Directors present for statesmen and rulers; the contempt of every thinking man derides this "Honourable Court."

To proceed to the question of the trade with India, it is amusing to observe the expression of the chairman of the Court of Directors, at a Court of Proprietors, as re-

ported in the newspapers, he states, in the true narrow spirit of mercantile policy, that the Directors have "given up nothing that they could retain." It certainly is an ignoble idea, and in the true spirit of monopoly, and will furnish the public with a caution to receive with entire distrust whatever proceeds from the "Honourable Court," more particularly the sentiments of Messrs. Grant and Parry in their incipient letter of the correspondence with Mr. Dundas, in which, evidently, they would endeavour to forestal all argument and discussion by assuming their own wishes as primary principles of consideration.

It is a remarkable fact, that, while the manufacturers of Great Britain are pining for want, and its commerce is stagnant, the American shipping crowds every port in Asia. This circumstance exemplifies every argument in favour of a free trade; the Americans flourish,—the English East India Company is ruined. Why should not Englishmen be allowed to trade with English Colonies rather than Americans? Americans

trade to China too, why not Englishmen? What is there so capricious in the Chinese government as to be likely to exclude traders so affluent, and so highly useful to China, as Englishmen, when the Americans, who carry on their promiscuous traffic, are uninterruptedly encouraged? The arguments of the "Honourable Court" are fallacious. The fact is, the East India Company has found its only resources for money in the Tea Monopoly Sales, which alone have preserved them from bankruptcy, as every clerk in the India House knows well. This monopoly, like every other, they are doing all they can "to retain," as the chairman avows. There is no validity in the reasoning of the *Honourable Court* on this head, they argue as interested merchants, not as wise sovereigns; a man cannot serve two masters, he cannot love God and Mammon.

The tendency of one argument of the Directors, backed by the contents of a petition of the merchants and traders of London, sted in the import trade of India, deserves attention, it is that of the policy of

confining all imports to the port of London. The question is whether the revenue would not be greatly defrauded were it otherwise ; I conceive that the collection of the customs would be precisely the same in Bristol and in Liverpool as in London, and, perhaps, where there is less to do, it would be easier ; whether the facilities for smuggling to a great extent would attend the imports into any other port than London, is a point more for the consideration of the Commissioners of Customs, than for either the self-interested East India Directors, or the shopkeepers of the metropolis, both of them juries not ashamed to decide their own cause in their own favour.

Might not a manifest of the ship's cargo be required from the Custom House at the port from which the ship clears out in India, and the unloaded goods compared exactly with it ? When we consider the severe penalties attendant on the practice of smuggling, and how forcibly they would operate on the owners and captain of a large and valuable ship, liable to confiscation, if such a

practice on board were to be proved, (the captain liable to be deprived for ever of command,) we must ascribe some security to the enactments against smuggling.

But admitting that partial frauds might be committed, partial frauds are now committed, and will be committed every where if not counteracted. I conceive that such regulations might be enforced as should effectually meet any attempts to defraud the revenue, which evil is falsely magnified into a national affair.

Still, however, notwithstanding every great, though pretended exaggerated mischief, the revenue would be far more than equivalently benefited, I am persuaded, by the increase of commodities that would necessarily ensue on extending, the very word of which implies Increase, trade to the island at large, AND TO ANOTHER ISLAND, IRELAND. The Irish have a right to a participation in the trade. It would be no less a benevolent than a wise policy to cede it. Commerce, by occupying, would sooth the minds of the distressed and agitated Irish, on whose condition

the peaceful offices of trade, and the influx of wealth would shed a genial influence.

—*Illas didicisse fideliter artes,
Emollit mores nec sinit esse feros.*

I put it to the philanthropy of the English nation, whether it would not be far more humane, far more politic, thus to grant voluntarily a boon to Ireland,—thus to give our wretched sister island a share in our abundant riches, and to meliorate her impoverished condition, than to feed with luxury an affluent class of citizens in this metropolis, whose manners are corrupted by their wealth, and hastening us to that decline which befel the Roman empire.

London is already overgrown, and no one who forms just views of municipal polity, can desire its extension.

It is well known that more danger to ships is encountered in the Channel than in the whole of an East India voyage beside; Losses in that Channel would deprive the revenue of much more than it might suffer from occasional smuggling; but would even that occasional smuggling be so likely to

cause, as the petition of the London traders would insinuate, a prodigious loss to the revenue, when the transit of ships to Bristol or to Cork would be along the coast only of one county or of two counties, instead of, as to London, along the smuggling coast of Cornwall, the extended shores of Devon, of Dorset, Hants, Sussex, Kent, and Essex.

I really believe the argument on this point turns completely against the very complainants themselves, and so far from being of the use they calculated, their weapon may defeat their own cause and the Company's too.

The distance and the dangers of the Channel voyage, cause of course additional expence for premium of insurance. Seamen's wages, freight, pilotage, and similar charges, must also be augmented beyond what would be the case at an out-port—thus the price of the article, loaded too with a Company's tax of three per cent, is greatly enhanced to the London consumer; and, in addition to all this, the country consumer pays, in the price of the article, for bro-

kerage, one-half per cent. and waggon hire, to the country. The Legislature cannot but be aware that a removal of the origin of such imposts would give additional spirit to the Indian trade, even among some of the very London merchants who, in their own ships—at a moderate freight—relieved from the Company's arbitrary taxation—at liberty to make their own sales when they please—unfettered as all commerce ought to be—would, if they could see far enough, find just reason at this moment to be silent on this momentous question.

Indian produce becoming infinitely cheaper to the consumer, a greater demand would arise, leading to a better cultivation of the trade, which, of course, would go to benefit instead of prejudicing the revenue.

The truth is, the London traders, seeing the advantage that Bristol, Liverpool, &c. would have over them in respect to the greater facility and cheapness with which their imports could be effected, are like most commercial men jealous of any thing likely to interfere with their own interest. The

same enlightened author I have so largely quoted, as the best sentiments I could furnish on the subject, is fully aware of the narrow interests and commercial jealousies of mercantile men, and wisely cautions the political economist against every observation they offer, farther than mere information, which even is to be received with suspicion and distrust.

One other consideration appears to require attention, that of the nature of the ships to be allowed in the Indian trade.—Were there abundance of timber in this country for ship-building, it might be advisable to confine every thing as much as possible to our own shores; but when there is so great a scarcity of oak necessary for our navy, and when the advantages of a teak-built ship are viewed, it becomes indeed a matter deserving enquiry, and that ought to engage the special investigation of a Committee of the House of Commons. Not being aware of the nature of the evidence that would be afforded on this subject, I cannot anticipate any conclusion.

Finally I ask, shall a monopoly, which is shewn to be utterly unsound and impolitic in all its branches, be permitted to exist in the centre of a land of freedom, where liberty is the birth-right of its inhabitants?

It behoves the whole nation to consider the question well. This is not a matter of local interest, it is a national affair. The people are taxed indirectly by the East India Company,—shall they be any longer grievously assessed to support a bankrupt concern, which, in addition to its other evils, establishes a monopoly injurious to not only the commercial but the general interests of the nation that feeds it?

P. S. Since writing the above, I have met with a masterly pamphlet, which I cannot sufficiently recommend, entitled, “ Free Trade ; or, an Enquiry into the Pretensions of the Directors of the East India Company to the exclusive Trade, &c.” published by Joyce Gold, Shoe-lane, Fleet-street.

I have seldom read a production so accurate in information, so profound in reasoning, so philosophic in conclusion,—at once

acute, enlightened, judicious, and temperate. I feel it unnecessary to travel over much of the ground the Directors have assumed on the approaching expiry of their lease, this sensible author having sufficiently instructed the landlords how to act with wisdom and firmness; and I might incur the charge of plagiarism in re-echoing whatever even my own conceptions had anticipated, or endeavouring to enforce arguments that need not even a repetition.*

A
LETTER
TO
EDWARD PARRY
AND
CHARLES GRANT, ESQRS.
CHAIRMAN AND DEPUTY CHAIRMAN
OF THE
COURT OF DIRECTORS,
OF THE
EAST INDIA COMPANY.

H. Bryer, Printer, Bridge-Street, Blackfriars, London.

A
LETTER
TO
EDWARD PARRY
AND
CHARLES GRANT, ESQs.
CHAIRMAN AND DEPUTY CHAIRMAN
OF THE
COURT OF DIRECTORS
IN 1809,
ON THE
COMMERCIAL MONOPOLY
OF THE
EAST INDIA COMPANY,
AND
ON THE POLICY OF THE ESTABLISHMENT
OF
A NEW COMPANY.

LONDON,

PRINTED FOR T. WILSON, NO. 5, ST. PAUL'S CHURCH-YARD.

1812.

A LETTER, &c.

GENTLEMEN,

Your signatures affixed to the letter of the Directors No. 8. made public in the correspondence recently printed between Government and the East India Company, is the occasion of my addressing these observations particularly to you. That letter is intended to set forth the grounds on which the Company rest their claims to a renewal of their privileges of exclusive trade.

In all public discussions hitherto, that have taken place respecting India affairs, the great questions have uniformly been,

as to the degree of pecuniary embarrassments under which the Company laboured, the wars in which it was engaged, and other topics of that kind; but the important consideration, whether great advantages might not be derived to the Country from a more extended system of trade to the East, appears to have been almost entirely lost sight of. The falling in of the charter, however, at this period, when so many markets are closed to the manufactures and productions of the Country, has rendered this a very momentous question, and has drawn the universal attention of the public to it.

The right of the Company to exclusive trade ceases in March, 1814, after which period, the right of trading to the East Indies reverts to the public, in as full and entire a manner as though no

charter to the Company had ever been granted. But the Company applies for a renewal of their exclusive privileges, asserting that it would be conducive to the public good to restrain British merchants generally from trading to the East, and to continue to grant that trade exclusively to themselves.

The mercantile and manufacturing classes, in petitions to the legislature from every part of the empire say this:—We are prevented by law from trading to the East Indies, the exclusive privilege of which trade is granted to the East India Company, by a law which expires in March, 1814, after which, the right of trading there reverts by law to us generally. We claim not to be excluded by any new law from carrying our manufactures to every friendly market and country which becomes legally

open to us ; and particularly we claim to be excluded by no new law from the markets of the East, in which markets we expect with confidence, from various information which we possess upon that subject, to find, in this period of commercial distress, a considerable opening for our commerce, and one that will probably indemnify us, in a great measure, for the loss of the markets of the continent and America.

His Majesty's Government appears, if we may judge from Lord Melville's letters in the printed correspondence, inclined to put a considerable restriction on these demands. They speak of opening the Indian trade to the public, but of excluding them from the trade to the whole of China.

The East India Company comes next, and these are their pretensions. Exclude, say they, the public from all trade whatever to India, as well as China, to Persia, the Spice Islands, and conquered settlements of the French and Dutch, in short, from every country, the exclusive trade to which has hitherto been granted to us. It would be very injurious for any other parties to trade to any of them. Give to us the whole of that trade. Let no English merchant or other individual appear in that part of the world without a licence from us. If there should, give us the privilege of seizing upon him, and by force carrying him out of those limits. We will give you various important reasons for all this.

These reasons are set forth by the Chairman and Deputy Chairman in the

letter No. 8. of the Printed Correspondence, and I shall now examine them.

The circumstances under which this letter was written, and the immediate cause of it are these. Several communications having taken place between the Government and the Court of Directors respecting the wish of the latter to procure a renewal of the Company's charter, Mr. Dundas did, on the part of Government, inform them by letter under date 28th December, 1808; "that he could not
 " hold out to them the expectation that
 " His Majesty's Ministers would concur
 " in an application to Parliament for the
 " renewal of any privileges to the East
 " India Company, which would prevent
 " British merchants and manufacturers
 " from trading to and from India and the
 " other countries, within the present limits

“ of the Company’s exclusive trade (the
 “ dominions of the Empire of China ex-
 “ cepted) in ships and vessels hired or
 “ freighted by themselves;” * or in other
 words, that the Ministers would not concur
 in the renewal of the East India Company’s
 monopoly, except to China. Strange as it
 may seem, the Directors do not appear to
 have expected this course of proceeding ;
 and certainly thought it probable, that the
 Ministers might be dissuaded from perse-
 vering in it; to effect which, this letter
 No. 8. was written and addressed to Mr.
 Dundas, the 13th January, 1809. The
 alteration he had proposed to them they
 thus speak of, “ The Court have no hesi-
 “ tation in declaring their decided convic-
 “ tion, that it would effectually supersede
 “ and destroy the system of East Indian

“ administration, established by the acts of
 “ 1784 and 1793;” * which system also
 they declare in another place to be “ the
 “ only one by which the Indian possessions
 “ can be held to the mutual benefit of their
 “ immense population and of the paramount
 “ state.” † Further, “ the loss of the Indian
 “ monopoly, such as it was left by the act
 “ of 1793, would lead, by no slow process,
 “ to the entire subversion of the Company,
 “ both in their commercial and political
 “ capacity, and of that system which the
 “ legislature has appointed for the Govern-
 “ ment of British India.” ‡ And as the natu-
 ral consequence proceeding from their con-
 viction of all these evils ; “ It is impossible,”
 they say, “ that they, as faithful guardians
 “ of the interests committed to their care,

* Printed Correspondence, page 19.

† Ibid.

‡ Ibid, p. 28.

“ or as men truly solicitous for the welfare
 “ of their country, which they profess them-
 “ selves to be, can advise their constituents
 “ to seek a renewal of their charter on such
 “ conditions.”* In this state, matters
 appear to have been left by the celebrated
 letter No. 8, which seems to have failed of
 the impression it was intended to make
 upon the ministers; and the renewal of the
 Charter slept till about the beginning of
 1812, when we find the Directors, in conse-
 quence of a short but positive note from
 Mr. Dundas, writing to him (4th March,
 1812) in the following terms. “ It is to be
 “ understood, we think from your letter,
 “ that his Majesty’s Ministers have made
 “ up their minds not to hold out to the
 “ East India Company an expectation of
 “ their being disposed to concur in an offer

* Printed Correspondence, page 33.

“ to Parliament of any proposition for the
 “ continuance of the present system of trade
 “ with India, without a previous consent
 “ on the part of the East India Company
 “ that the trade with India shall be extended
 “ to the ships of private merchants ;” *
 or in other words, that the trade with India
 should be thrown open, as Mr. Dundas
 had first proposed on the 28th December,
 1808. “ They think it their duty,” they
 say, “ therefore, to state, that if this al-
 “ teration be made an indispensable con-
 “ dition on the part of His Majesty’s
 “ Ministers, of their proposing to Parlia-
 “ ment the renewal of the Company’s
 “ privileges, the Court will, though reluc-
 “ tantly, offer this measure to the conside-
 “ ration of the Proprietors.” †

* Printed Correspondence, page 48.

† Ibid.

Here I put to the Court of Directors a few plain questions. Do you really believe yourselves in the dangers and ruinous consequences, which, in the letter No. 8. you have stated with so much confidence, as necessarily following the throwing open the Indian trade? Did you speak with that sincerity which you profess, when you said, that, "as men truly solicitous for the welfare of your country," it was impossible for you, to advise your constituents to seek a renewal of their charter on such terms? If it were so, how happened it that you did advise your constituents to seek such renewal, and that, not indeed, when these conditions were in any degree relaxed, not when the state of things could in any other respect be changed, but the moment you discovered that "His Majesty's Ministers" had made up their minds to concur in the renewal of

the Charter on no other conditions, and that no alteration in their determination was to be expected? Until I see this explained, you will excuse me, Gentlemen, if, not considering you as clothed with the character you have assumed, of men conscientiously solicitous of the public good, I examine the reasons which you adduce to shew, why, the public should exclude themselves from the Indian trade and give it to you, with the strong impression upon my mind, that I am dealing with men, that, a very great degree of political power and eminence has not been able to raise above the petty chicanery, and miserable artifices, confined, a great deal I think, of late years, in this country, to the lower departments of trade

But, we will examine this part of the subject a little further. Mr. Dundas proposes

renewing the charter, on throwing open the Indian trade. The throwing open this trade, say you, would lead to the entire subversion of the Company, both in their commercial and political capacities, and also, of the only system by which India can be governed to the mutual advantage of that country, and the paramount State. You say, you cannot consent to seek a renewal of your charter on such conditions. No, certainly you cannot ; if you believe your own assertions, you can accept of a renewal on no such terms, if offered to you. Accept a charter, which, you yourselves believe would, shortly, not only ruin the Company, but destroy, also, every advantage which the country might otherwise derive from its Indian possessions ? And yet, Gentlemen, it appears, that, you did accept of these very terms, the moment you saw you could get no better. I leave you to explain this, and

proceed to examine your arguments in detail; which arguments, it is plain, did not convince yourselves, whatever effect you hoped to produce by them on the parties to whom they were addressed.

The principal evils which you state, as necessarily consequent on throwing open the Indian trade, may be classed under the following heads.

1. That it would raise the price of Indian goods in India, and lower them here.

2. That it would probably cause the Chinese Government to prohibit all trade with England.

3. That colonization would follow from a free trade, and be attended with many evils.

And, as the consequences flowing from all these would overturn the Company, both in its commercial and political capacities, and with it, the only means this country has of benefiting by its connexion with India.— You thus state the first of these.

“ If the Indian trade were thrown open, ships would, at first, no doubt, swarm into it, and there would be a ruinous competition in the market, both abroad and at home. Goods would be enhanced in cost there, as well as deteriorated in quality ; the selling prices, at home, already too low, reduced still lower, and the market overstocked.”* This argument has been a favourite one with the Company, at all times, and has been used by them at every renewal of their charter, from its first com-

mencement. It is taken notice of by Adam Smith, and is thus answered by him. "That, " by a more plentiful supply, it, (viz. com- " petition) must have reduced very much " the price of Indian goods in the English " market, cannot well be doubted; but, that " it should have raised very much their price " in the Indian market, seems not very prop- " bable; as all the extraordinary demand " which that competition would occasion, " must have been but as a drop of water, " in the immense ocean of Indian com- " merce. The increase of demand, besides, " though, in the beginning, it may, some " times, raise the price of goods, never fails " to lower it in the long run. It encourages " production, and thereby increases the com- " petition of the producers, who, in order " to undersell one another, have recourse to " new divisions of labour, and new improve- " ments of art, which might never other-

“ wise have been thought of. The miser-
 “ able effects of which the Company com-
 “ plain, were the cheapness of consumption,
 “ and the encouragement given to produc-
 “ tion ; precisely the two effects which it
 “ is the great business of political economy
 “ to promote.” Aware, as it appears, of
 the weight of this authority against them,
 and with a view to meet it, the Directors
 go on to state, that, from the nature of the
 Indians, and their division into castes, the
 same principles which hold good with other
 nations do not apply to them ; “ that it is
 “ not so easy among them, as in Europe, to
 “ meet an increased demand by increased
 “ production ; and still less easy, when
 “ they can subsist by furnishing things of
 “ an ordinary quality, to make them aim
 “ at excellence.” These assertions are all
 hypothetical, and it is imposing rather too
 much on one’s simplicity, to expect, that, a

question of this kind is to be taken for granted, on the mere assertion of the opinion of interested persons, in opposition to principles the best established. In reality, we may be assured, that, the nature of the Indians does not differ, in its general features, in their wants and desires, from that of Europeans; and that it is not altered by division into castes. Give an Indian a larger order for his goods, and a higher price than he has been accustomed to, and he will deliver you a larger quantity of goods, and of a better quality. In other words, an increased demand for the articles they produce, will procure from Indians, as well as Europeans, an increased production.

This argument, however, of the existence of their monopoly being necessary to regulate the prices of goods, and prevent the deterioration of their quality, is not peculiar

to the East India Company. It has been the common cant of all monopolists that have sought their own advantages at the expence of public good, and in particular, of all those absurd and oppressive monopolies which were so numerous, about the time that the East India Company's charter was first granted.*

* --

* I quote here the preambles to two acts of Parliament out of many similar ones.

“ Whereas the people of Bridport in Dorsetshire, have, out
 “ of time that no man's mind is to the contrary, used to make
 “ the most part of all the great cables, hausers, ropes, and
 “ all other tackling, as well for your royal ships and navy, as
 “ for the most part of all other ships within this realm, by
 “ reason whereof, your said town was right well main-
 “ tained, &c.

“ That, the people in the adjacent parts to this town have
 “ set up rope making, and make slight goods, whereby the
 “ price of the said cables are greatly enhanced; and your
 “ said town or borough, by means thereof, is like utterly to
 “ be decayed—

“ For remedy whereof, be it enacted, &c. act 21st Henry
 VIII. cap. 12.”

The next topic which you bring forward, is, that, in the event of the trade to India being thrown open, English ships could

The act for establishing a monopoly of making coverlets for beds, in the City of York, sets forth,

“ That, the City of York had been formerly supported
 “ by sundry handicrafts, and principally, by making cover-
 “ lets and coverings for beds, whereby great numbers of
 “ inhabitants and poor people in that city and suburbs
 “ and in other places of the county, have been constantly
 “ employed. But, that, of late years, sundry *evil disposed*
 “ persons, apprentices not expert in that occupation, have
 “ withdrawn themselves out of that city into the country,
 “ and divers other persons inhabiting the villages and towns
 “ of that county, and nigh to the said city, have intermeddled
 “ with the said crafts, and do daily make coverlets, neither of
 “ good stuff nor proper size, and do hawk and sell them
 “ abroad in the county to villages and men’s houses, &c. to
 “ the great deceit of the King’s Subjects, &c. (most of
 which representations, says Anderson, appear to have been
 in imposition on the Parliament.)

“ it therefore enacted, &c.”—Act made 1514

So that these rope and coverlet makers appear to have
 have had just the same, and just as good public reason-
 for the preservation of their craft, as Mr. Grant and
 Mr. Parr, are continuing to impose upon the public, at the
 present day

not be prevented from penetrating into the Chinese seas, and attempting to trade there, in doing which, they would probably be guilty of irregularities which might offend the Chinese government, and determine them to dismiss the English altogether. This supposition you admit to be an "extreme case," or in other words, very unlikely to happen. But, I purpose to treat, presently, upon this subject of the Chinese trade, in a more general manner than the mere answering your objections permits; and pass it over, therefore, for the present; remarking merely that the merchants of America do and have traded freely to China, without producing the evil you appear to apprehend.

Lastly, you address yourselves to the evils to be feared from the colonization of India by European settlers. The part of

your letter wherein you advance this argument, is as follows --

“ But a more serious consequence than all
 “ these would still remain. A free trade to
 “ India would unavoidably draw after it
 “ the residence of numerous and continu-
 “ ally increasing Europeans there, whatever
 “ prohibitions might be at first opposed to
 “ their settling in the country. When all
 “ restraint to the importation of ships and
 “ goods is taken off, men must be allowed
 “ to follow their property, and to remain
 “ at the place where they land it, till they
 “ have disposed of it ; they must be allowed
 “ to navigate the Indian seas, and to return
 “ to the same place when their business
 “ calls them ; they will thus insensibly, and
 “ with hardly reasonable grounds for op-
 “ position, domiciliate themselves ; nor
 “ would an unsuccessful trade prevent

“ them, but many would seek to indem-
 “ nify themselves on shore for their losses
 “ by the voyage. The instances of such
 “ attempts will be numerous and it
 “ will be impossible for any police to
 “ follow up the crimes of individuals, and
 “ continually to exercise rigorous system
 “ of exclusion. Much has not hitherto been
 “ done, though attended with comparatively
 “ little difficulty; and the attempt would
 “ soon, under the new order of things, be
 “ abandoned as hopeless. Colonization
 “ must, in such case, follow. Large com-
 “ munities of Europeans will struggle for
 “ popular rights; new feelings, with respect
 “ to the mother country, new interests
 “ and attachments will then spring up; and
 “ in a region so remote, so rich, and po-
 “ pulous, and so accustomed to yield to the
 “ ascendancy of the European character,
 “ the tendency and process of these

“ things cannot be difficult to conceive.* ”

In reading this passage, it is impossible not to observe, that, upon this subject, with which you finish your argument in favour of the exclusive commercial privileges of the Company, expressly asserting it to be the most important consideration in their favour, you have contented yourselves with a bare assertion of your opinion. When such an assumption as this, of the colonization of an old established empire, is made, and such consequences are predicted from it, and attempted to be used as the foundation of a great political measure, it would surely be natural to shew how the circumstances of the case were such as to be expected naturally to

give such a direction to some known principle of human action; and as this is not done or attempted, an enquiry immediately arises into the cause of such an omission. The principles generally, which govern the establishment and growth of colonies are extremely obvious and simple; so much so, that one cannot but feel an immediate conviction that you felt some difficulty opposed to their application, in the present instance. What has colonized North and South America, and the settlements of every European power in the new world? A rational prospect of advantage which experience was found to justify. I shall take the liberty to enquire, with a view to the investigation of the correctness of your assertions, how far the circumstances of India and the American colonies agree, or otherwise, with regard to the operation of this principle.

I refer here to a former part of your letter (page 22 of the papers) in which part, in reply to those who maintain, that, the existence of the India Company curtails the commerce of the British Empire, by excluding private merchants from a trade which it is unable to carry on itself, you assert that there is no field for the enlargement of our commerce in the East. You have, obviously, a reference to this doctrine in one of the paragraphs above quoted, where speaking of the domiciliation of British merchants in the Indies, in the event of a free trade, you say, "nor would an unsuccessful trade prevent them, but many would seek to indemnify themselves on shore for their losses by the voyage." It is carrying the privilege of assertion too far, to say, that the colonization of any country will be effected by men, to whom no successful

trade offers a rational prospect of an improvement of their condition by it; and, still further, to assert that they will persevere in their attempt, after experience has shewn them that it would be injurious. The conduct of no considerable body of men sufficient to colonize a great empire, was ever directed steadily, by such capricious motives as these.

With respect to the fact itself, that, an increase in the number of European residents in India is to be expected from the opening of that trade, I do myself to a certain extent admit it; but, that it would, even after the lapse of centuries approach in point of population to the present state of any of the great American Colonies, I deny; and, if it were possible, any legislative measure having for its object the prevention of it, can be reconciled to none

but the meanest and vilest principles of state policy. I admit that an increase in the number of residents will take place, because I do consider it as the natural consequence of the enlargement of the trade of India, and this enlargement I consider as the certain consequence of the discontinuance of the Company's monopoly. Denying the increase of trade yourselves, you cannot agree with me in the inference I make of the increase of the number of residents from that cause; and, independent of the increase of trade, no other cause can possibly be alledged for such increase, applicable to the circumstances of India and this country.

The limits within which this increase can possibly extend, will be found to be extremely narrow, even upon the most sanguine expectations of the increase of

the commerce of India ; for it must necessarily consist wholly of one class, (merchants with perhaps a few artizans) bearing always a very small proportion to the mass of society. The state of society in India altogether precludes the possibility of the settlement or residence of the lower orders of Europeans, the rate of wages among the natives being too low possibly to admit of it, independent of obstacles arising from the difference of manners, language, and prejudices. In the case of all the American Colonies whose growth has been so rapid, the sudden enlargement of their population has not been owing to the mere prosperity and consequent increase of a few particular classes, but to the general improvement of the condition and consequent increase in the numbers of the whole community. In what way is the comparatively redundant and overflowing

population of Indostan, to be so permanently improved in its condition as to invite emigration from Europe? This is the only possible condition of a general Anglo Indian population, and whilst this impediment remains, they are certainly to be accounted more cautious than wise who alarm themselves with the idea of European colonization.

Another evil you mention also, as being to spring from this fruitful source of mischief, the opening the Indian trade ; but of less importance, and not in fact worthy of notice, except as far as it tends to throw light on the real views and motives you entertain. “The Company must cease,” say you, “to employ the numerous class
“ of excellent ships they have engaged for
“ the Indian trade, ships constructed for
“ warlike defence as well as commerce,

“ and rendered expensive only by being
 “ necessarily destined and fitted up for
 “ the performance of political services.
 “ These ships the Company contracted to
 “ employ for the term of their duration ;
 “ there is a large capital embarked in
 “ them, and they can be employed in no
 “ other way than that for which they were
 “ built. The noble fleet of ships employed
 “ in the China trade by the Company,
 “ must also, in like manner be laid aside*.”

All this is very deplorable, but what can
 the Government have to do with it ? In
 a great question of national interest, what
 can the public have to do with any con-
 tract which you have made for ships ?
 Would you expect to have the people of
 this country excluded from the commerce
 of one half of the world, because you

have made contracts for the hire of certain "very excellent ships," which ships, without such exclusion, you may not be able to find employment for? If you have made contracts which you cannot fulfil, be so good Gentlemen, as indemnify the contracting parties, and so put an end to that question. But, the fact of your having made these contracts, does not seem to agree with your present professions. You say, that, unless your exclusive privileges are renewed, you cannot employ these ships. How came you then if you believe that, to contract to employ them, without knowing whether your charter would be renewed or not? This is not the kind of conduct likely to be pursued by prudent and discreet merchants, or by men in their senses. Either you must give up all pretensions to prudence and discretion in your commercial con-

duct, or you do not yourselves believe that these ships will not be serviceably employed, though your exclusive privileges are not renewed. But the Directors appear never to have forgotten, that the proprietors of these ships are rather a numerous body of men, and that, from the circumstance of their being concentrated in London, they possess a greater degree of political interest, than naturally belongs to them; and the real motive of all this pitiful representation is, to attempt to influence these men, by undue considerations of private interest to support their charter, by petitions and any other means that they could use, when its renewal should be brought forward. It is exceedingly probable that the contracts themselves were originally made with no other view.

Having taken a review of the evils

you have stated as likely to arise from opening the trade to India, as Mr. Dundas proposed, I now proceed to consider what the interest of this country is, as to opening the WHOLE of the trade at present engrossed by the East India Company; and whether there is any good reason for granting any exclusive privileges of trade at all to an individual Company. And first, it is essential to understand what under the present system, is the real state of the connexion between this country and the East Indies; and what the actual advantages are, that we derive at present from that connexion.

These advantages must be derived from one of the two following sources, revenue or trade. Of the first, it is needless to say that India affords us none. The immense territories over which the Company reigns as sovereigns, have never

yet yielded a revenue equal to the expence necessary to uphold their authority over them*. Consequently they have been obliged ever since they became sovereigns, yearly to contract fresh debts; which debts amount now to the enormous sum of about 35 millions, and must ultimately be paid by this country if ever they are paid at all. But beyond this, these Indian possessions have always acted, and still act as a direct burthen upon the resources of the country. The expence of maintaining fleets, and of raising the armies we send there, has never yet been contributed to by the Company, but has all along been paid out of the taxes of the

* The opinion the Hindoos entertain of the East India Company as cited by Lord Valentia in his travels is as follows.

“ The India Company is an old woman, shut up in a
 “ Zemanah, and the Governors General are her children.”

country. Where are we to look then for an indemnification for these burthens and expences? To the commercial intercourse between the two countries.

The nature of this intercourse, therefore, (of the importance of which very absurd notions have been circulated) it is doubly important to understand rightly. And first the great feature in the trade of the East is, that it is a trade of exportation. The various luxurious productions of those fine climates, their silks, muslins, teas, and spices, have always been objects of desire to the nations of Europe, and different states have successively carried on a most lucrative trade, by having become the channels through which they were conveyed to other countries. It was thus, that the Venetians, the Portuguese, and the Dutch, increased so much

their national wealth and resources by the commerce of the East. It was not by importing the Eastern commodities for their own consumption, that they increased their wealth in any degree by this trade, but it was by becoming the carriers between the East and Europe. Purchasing the commodities of the East low, and selling them dear, they of course increased their national wealth by the profit. The trade, however, which England has carried on to the East, has been chiefly to import articles for our own internal consumption; and has never been in any great degree a carrying trade. It is still less so at present. Europe, which before the changes occasioned by the late and present war, was chiefly supplied with Asiatic commodities by Holland and France; has since under the dominion or influence of Bonaparte, refused to receive

them altogether. They will not become tributaries to us. It is in this point of view, therefore, that we are to look at our Indian import trade. It is a trade for the importation of luxuries, for our own consumption. Such a commerce can never increase the wealth or resources of a country. On the contrary it exhausts them. No individual ever expects to increase his wealth by purchasing goods of the different tradesmen he employs, for the consumption of his family ; and it is the same with a nation. No principle in political economy is more indisputable than this. By an export trade, a barter trade, or a carrying trade, a nation may increase its wealth, but never by a trade of importation for home consumption ; except, indeed, so far as the imported articles are paid for by productions of the imported country ; for which produc-

tions there would be otherwise no market. It is to an exportation trade, then from Britain, that we are to look alone for any advantages from our possessions and influence in the East.

The first consideration that occurs on taking a view of this part of the trade, as presented by the Company itself, is its complete insignificance. These are their own words. " Except woollens in a very
 " limited degree, and metals also on a
 " scale very limited, hardly any of our
 " staple commodities find a vent among
 " the Indians; the other exports which
 " Europe (Britain) sends to India,
 " being chiefly consumed by the Euro-
 " pean population there, and some of the
 " descendants of the early Portugeze
 " settlers, all of whom taken collectively,
 " form but a small body in view to any

“to any question of national importance*.” This being the real state of things at present, what ground is there for that alarm, which has been attempted to be excited at the mention of a change? No benefit whatever, worthy of being mentioned in a national point of view does this country derive from its connexion with the East, as it is conducted at present; and it cannot derive less under

* Printed Correspondence, page 21.

It is not easy to understand from the accounts the Company gives, what the actual amount of the exports to India and China is, as they appear to have added in their accounts, the cost of freight, insurance, and other expences, to the first cost of the goods, without specifying what their items amount to. As near, however, as I can judge from the accounts we are furnished with, about £1,100,000 or from that to £1,200,000 may be the amount of what Britain exports to the whole of India, the French and Dutch Islands and settlements, Persia, &c; and about £900,000 more to the Empire of China. I cannot speak however, very minutely.

any change. It is said, indeed, that there are a great number of ships and seamen at present employed in the trade, and that the country is benefited by such employment. In reality, however, ships and seamen only increase the wealth of a country, when employed as the instruments of a gainful trade ; but when employed in the importation of luxuries for home consumption, they partake of the nature of that commerce, and exhaust instead of increasing the national wealth and resources. There is another consideration also, which is the revenue arising from the duties upon these imported goods. This, the advocates of the Company, and the Directors themselves, have been in the habit of representing as a direct gain which the country makes by their trade ; as little short of a contribution which they pay to the state, and the

extent of which they say would be endangered, if the trade to India were thrown open; because, in that case, ships would import the Indian goods into other ports, besides the port of London, to which they are confined at present, and where the duties could not be so certainly and effectually collected as in London. Whether this would be the case, or not, and whether smuggling would be rendered more easy or more difficult by a free trade, is a point on which I am not competent to speak. But, the question generally, of what kind or degree of benefit the country derives from the taxation of Eastern commodities imported; it is important on several grounds, to set in a right point of view; and chiefly because of the many intended misrepresentation that have been circulated on this subject. It would otherwise seem indeed,

hardly necessary to explain, that the revenue which the Government collects, by the tax on tea for instance, tends in no way to enrich the country, but on the contrary, like all other taxes, tends to its impoverishment. Suppose the whole of the tax now collected on tea, were taken off, and the amount put upon sugars, would the Government be any poorer, or the public any richer by this operation? It is certain that they would not. In fact, about twenty years ago, an operation of this kind did take place. The customs were not then so well collected as to prevent smuggling of teas taking place to a great extent. In order to prevent this, a plan was suggested by a clerk in the India-House, to reduce the duty on tea and the amount of the duty taken from tea, he proposed to raise by a tax on houses of 12½ per cent. This was in 1784

carried into effect, and the duty on houses then imposed was called the commutation tax: except in preventing smuggling, this operation left both the revenue and the public in the same state in which it found them; and it would operate exactly in the same manner upon the public, if no tax ever had been or were now imposed on East India commodities. There must have been the more taxes on other articles, and the East India goods would have been sold so much lower as to have formed an equivalent to the public, out of whose pocket the same money would have gone in either case. The great amount of taxes raised, is a proof of the extent of such burthens, but none of any advantage being derived from the India trade.

The following, therefore, seems to be the present state of our connexion with the East.

For revenue, instead of these territories contributing any thing to the defence of the paramount State, they do not produce sufficient for their own maintenance and defence, but, are in fact partly maintained and defended by taxes raised at home.

In regard to trade, the great branch of it, that of exportation from the East, consists, at present, entirely in the importation into this country, of articles for internal consumption, and these not raw materials, or articles of use or necessity, but of luxury ; and this branch of the trade therefore, only tends to impoverish the country, and conduces nothing to its prosperity.

The other branch of trade, consisting of exports from this country, it appears, is too insignificant to merit attention.

This being therefore the state of things under the present system, there is surely no reason to be apprehensive of the effects of a well considered change, nor above all, of that of refusing to grant to the Company a further extension of their exclusive trade: which change is now called for by the universal voice and sentiments of the public. The great consideration which appears to operate upon the public mind, is, that the immense population, extent, and wealth of India, China, and the countries adjacent, are capable of affording markets, the most extensive of any hitherto explored, for the productions and manufactures of this country. It is a question altogether of the most vital importance to the interests of the country, under the circumstances in which it is at present placed. The Company denies that an extension of the export trade is under any system to be expected. They come forward after the true manner of all slothful

and corrupt stewards, to shew how they themselves have made many attempts to extend this very export trade, but found themselves obstructed in all their endeavours by invincible obstacles; which, though they themselves have not done well, will yet render it for ever impossible for others to do better. These obstacles are as follows:—India, they say, has been at no time an importing nation. The manners and habits of the people are different from ours; and, being a manufacturing people themselves, they do not want articles such as are manufactured by us. The great body of the people are besides too poor to procure more than the necessaries of subsistence, and very little is necessary in those warm climates. These obstacles, they say, have prevented them, after the trials and experience of two centuries, from extending their export trade, and must ever prevent such extension.

It is certain that India has never yet been a nation that has imported, in any considerable extent, the productions of other countries ; but it is also certain, at the same time, that no nation ever yet greatly connected with the trade of India, has been a manufacturing nation, or one that had surplus productions of its own to export. Neither the Romans, (whom the Directors refer to) the Venetians, nor the Portuguese, were manufacturing nations. Britain is a manufacturing nation, and wants nothing but effectual means of introducing her manufactures to the East. Why should the circumstance of India and China being manufacturing nations, prevent their consuming the manufactures of Britain? Britain, itself a manufacturing nation, is not prevented thereby from consuming the manufactures of India and China, and that to a greater extent than any other country. The

variety of manufactured productions is endless, and in whatever part of the world the seat of them is fixed, that country, either by improvements in the original branches of manufacture, or by creating new ones, will never fail to find a consumption of its productions in every other country to which it can have free and unburthened access; and that too, in a great measure in proportion to the wealth and population of such country*. But the lower classes in India and China

* "The East Indies offer a market both for the manufactures of Europe, and for the gold and silver as well as other productions of America, greater and more extensive than both Europe and America put together."—*Wealth of Nations*.—This is the opinion of Smith, indisputably the greatest of all authorities in matters of trade and commerce. The Directors, presume to treat as weak and ignorant speculators, all those that have expressed a belief of the East, being capable of affording an extensive market for our manufactures. They are contemptibly ignorant both of their own situation and of the great and enlightened interests opposed to them.

are poor, and merely provided with the necessities of life. No doubt; and it is the same with the lower classes every where else. It is not the paupers of England, nor yet the lower orders of the people that are the consumers of our importations from India. The poverty of the Indians does not, as we see, prevent their having a considerable surplus of productions to export, and they can certainly import to at least an equal amount. Generally speaking, however, the wealth of India is great, and is and always has been proverbial. Further, the Company are losers, it appears, by the small amount of British manufactures they actually do export. It is better then that they exported none at all. The country is in no respect benefited, by sending out its productions to a market where they cannot be disposed of to advantage; and a wretched system of this kind, it is certain, must

be either conducted on an insignificant scale, or must soon end itself. But lest it may still be thought, that the circumstance of the Company losing by their trade to India, is any proof of there being really no field of profitable commerce there, I will state a fact decisive upon that subject. The captains and officers of the Company's ships carry out to India a certain portion of goods, to the extent, latterly, of near one half what is sent out by the Company. Is it a losing trade which these gentlemen also carry on? On the contrary, it is known, to be extremely profitable. Buying their goods in the same markets as the Company, selling them in the same markets, they get money by the trade, whilst the Company loses. It is owing to the different manner in which business is conducted and attended to by individuals and by the East India Company. The Company is also entirely destitute of

any capital, to carry on business with*. In England, they buy every thing they purchase on very long credit, and sell every thing by public auction, for ready money. In India, they borrow money at ten per cent. interest, for the purpose of purchasing goods, and of remitting home to provide for their dividends. It is impossible that any thing but a ruinous commerce can be carried on upon such principles.

We find also in your own letter the following passage.—“ One part of the present system is, to have one place of sale for India goods, that is London; to make all sales by public auction at stated pe-

* “ One of the principal difficulties which the Company has had to contend with, is a capital not in any respect equal to the extent, variety, and importance of their affairs; and which renders it a matter of wonder, how the Company has been able to carry on the concern at all.” Letter of the Chairman and Deputy Chairman.

“ riods ; and these sales to be regulated
 “ and conducted by the Company. With
 “ the proposed enlargements, it would seem
 “ hardly possible to continue that practice.
 “ Different towns would have their own
 “ sales, at their own times ; individuals
 “ might frequently choose to dispose of their
 “ goods by private bargain ; the benefit
 “ derived from public auction, when that
 “ was the sole mode, would be lost in the
 “ midst of many private sales and competi-
 “ tions ; but, to dispose of the goods of
 “ the Company by private negotiation,
 “ might open a door to many abuses, which
 “ would render that mode totally unsuit-
 “ able for their business. The Company,
 “ with such a competition, could not go on
 “ to purchase the goods of India. All the
 “ commercial branch of their civil servants
 “ must be thrown out of employ ; their
 “ purchases of goods at home, for the In-
 “ dian market, must also cease.”

Let any one that considers the picture you have yourselves here drawn of the total imbecility and unfitness of the Company, as a commercial body, say whether he is at a loss to understand why you lose money by a trade which is in itself beneficial. Such, it seems, is the construction of this commercial body, that if they are prevented from selling their goods by public auction, the most complete ruin of their business must ensue. Nay, unless they can compel every other person engaged in the same trade, to sell their goods by public auction also, and that under their direction. Every British merchant, whether of Liverpool, Bristol, or any other port, that deals in articles sold also by the Company, must send his goods to London, and put them into the warehouses and direction of the Company, for them to sell his goods for him; and that to prevent the ruin of the Company. They cannot sell their own goods in opposition

to him, therefore they will sell his for him. It is really too much to be endured patiently, to see a Company of this kind, setting up their impudent pretensions to exclude the merchants of this country from any trade or any seas, and much more to the richest and most extensive part of the earth.

How can a Company like this make efforts to extend the exports of the country? Do they sell their goods in India and China also by auction, and that too at one or two of their principal settlements? Is this the manner they have been exerting themselves to extend the sale of our manufactures there? But all these efforts of theirs, it seems, though continued for two hundred years, have been unsuccessful, like every other commercial enterprize they undertake. Such attempts require, in a peculiar degree, an adequate command of capital.

and a great deal of individual energy and exertion, operating in detail. What exertions have the Company ever made to export, for instance, the manufactures of Birmingham? I have been informed on good authority, that they do not export a single £.1000 in value yearly of the manufactures of that town, properly so called, to all their settlements and factories*. This is a sufficient proof of what efforts have been made to extend the exports of the country, and that the Company is totally an incompetent agent, to act in any degree exclusively, as the channel for conveying the productions of this country to the East.

The next part of the subject, and a very important one it is, is the trade with China.

* £2000 is also the greatest amount which the Company has ever exported in any one year of the manufactures of Sheffield.

On this subject the Government appears to have given some weight to the representations of the Company, in their pretensions to an exclusive trade. The reason offered in support of it, is the danger which might arise to our entire connection with China, if the trade were carried on by individual merchants. But it is proper to see the Directors' own words. " In ranging the numerous islands and coasts of the Eastern Seas, where they would be unknown, and where they could not be followed to Europe by complaints, the probability of impunity might tempt them to commit, upon the weak natives, accustomed to repose confidence in Englishmen, acts of injustice and licentiousness ; which would wound the national character, raise complaints throughout India, and set the people against us. In this manner, the Portuguese formerly rendered themselves

“ odious in the East, and contributed to the
“ downfall of their own power. In China,
“ where the effects of such a spirit would
“ be much to be feared, we could exercise
“ no authority sufficient to control men not
“ within the reach of the Indian Govern-
“ ment, or to defeat their schemes or as-
“ sociations for eluding the laws. Practice
“ would embolden them, and time increase
“ their numbers. It is hardly conceivable,
“ that they would not venture upon irregu-
“ larities which would offend the Chinese
“ Government, who, while the delinquents
“ escaped to England with impunity, would
“ doubtless take satisfaction of the national
“ factory; and the pride and jealousy of
“ that Government, alarmed by repeated
“ instances of this nature, from the desul-
“ tory visits of a new order of English-
“ men, insubordinate to the representatives
“ of the nation. (meaning the Company)
“ might determine to dismiss the whole to-

“gether.” “If this extreme case be not
 “supposed, (they continue) which however
 “is too important and too momentous in its
 “consequences to be hazarded,” &c.

The example of the Portuguese, which is
 used to enforce these arguments, tends
 only to invalidate them. The Portu-
 guese did not trade to China as a Company,
 but as individuals. They committed con-
 stant acts of atrocity in China, and in all
 the Eastern Seas. They were yet never ex-
 pelled from China, but, on the contrary,
 have a settlement there, that of Macao,
 down to the present time, and the decline
 of their trade and power in the East, has
 not been attributed by any writers that I
 have met with, to the atrocities they com-
 mitted there; but, first, to their falling for
 a time under the power of Spain, and se-
 condly, to their settlements in the Brazils,

which afforded a more inviting prospect of profit. The atrocities also, committed by the Portuguese, there is no reason for believing would have been diminished, if they had traded under the form of a Company. The general character of their commerce at that time was barbarous, and the object of their merchants that sailed to the Eastern Seas, though certainly partly commercial, was also in part piratical, and in part political. It is not from the conduct of such adventurers as these, that any inferences are to be drawn why British merchants of the present day are to be excluded from the Chinese trade. The Directors, in their argument, appear to infer two things: one is, that, the Chinese Government is so excessively jealous, that, a few accidental, or single and unconnected acts of atrocity, might endanger their refusing to trade with us altogether; and the other, that, British merchants trading individually.

to China, would be likely to fall into a regular system of plunder and aggression. For the first, it is natural that the Company should be inclined to give exaggerated accounts of the jealousy of the Chinese.— But, let us consider, that, the trade we at present carry on with China, is a trade almost entirely confined to the exportation of their commodities. We purchase their teas, and give them silver in return. A very singular race of people, no doubt, are the Chinese ; but, it will hardly be believed, that, having commodities which they have no use for, they will long refuse to give them to us, in exchange for silver, in consequence of a few acts of accidental and desultory irregularity, if such should happen to be committed. This will hardly obtain credit, any more than, that, a regular system of plunder is to be expected or feared from British merchants in the present day, because, about two hundred years ago, such a sys-

tem appears to have prevailed amongst the Portuguese. But, in reality, this question is capable of being decided by facts. The Russians, without any Company, trade to China, overland. The Portuguese still trade there, and above all, the Americans, without any Company, and without any danger of being expelled, have long carried on a very extensive and lucrative trade with China. I have before me, a list of ships, that visited Canton in the year 1785, and find amongst them 21 ships belonging to the East India Company, and 15 ships from America, and we well know, that the American intercourse with China has increased rapidly since that time. It happens also, that a great part of these very American ships and cargoes, are the real property of British merchants, thus trading to China, by this circuitous channel ; and I am at a loss to conceive, that, any thing can be

more conclusive, as to the question of there being danger in British merchants trading freely to China. Of what value, however, is this trade, which is thus to be guarded from all danger of change with such jealous care? Of great value it is to the Company, owing to the enormous profits which their monopoly enables them to obtain from the public, in the price of their teas; which profit goes out of the pockets of the public, in the same manner as the tax on tea does, and is, in fact, an additional tax, paid by the public; only, that it goes to support the East India monopoly, instead of going to the revenue.* But, it is to the market which

* The enormous profit upon tea, may be estimated from the following fact. Of the teas imported by the captains of the Company's ships, the Company takes first one third; and then sells the remainder for the benefit of the captain, as thus: if the officer import 2000 pounds weight, the Company first takes 667 pounds, and then sells the remaining 1333 pounds for his benefit; which, with this deduction,

China affords for British manufactures and productions, that we are to look for the value of the trade to this country, under present circumstances. Now, it appears, that, considered in this point of view, the extent of the China trade, like that of the Indian trade, is absolutely insignificant and contemptible.

But is the Chinese trade, under the management of individuals, capable of affording any considerable market for British manufactures? The trade to America, containing seven millions of inhabitants, is an open trade, and takes off annually twelve millions sterling of our manufactures. The trade to China, containing three hundred

still yields him a profit of not less than 50 or 60 per cent. on the whole investment. The expence of importing teas from China, cannot be more than about 2d. per pound.

and thirty millions of inhabitants; takes off, under the management of the Company, nine hundred thousand pounds annually of the same manufactures. This immense difference can be owing to nothing but the total incapacity of the Company to carry on our export trade. The experience of the Russian open trade confirms this. The Russians find no want of demand among the Chinese for their different productions. Furs, cloths, some of them of British manufacture, velvet, linen, and leather, glass, the finer hardwares, in short, almost every European manufacture, that will bear the expence of a land carriage of three or four thousand miles, find there a ready market; and in payment for these, the Russians do really receive from China an annual balance of gold and silver. Nothing but the monopoly of the Company can prevent this country from doing the same.

But let us suppose for a moment, that all the dangers apprehended from throwing open the Chinese trade are well founded. Merchants trading individually, we will say, will necessarily be guilty of irregular proceedings, and the Chinese Government will close the trade to us altogether. They will deal with nothing but a company in any shape, or way, and the trade, such as it is, must not be lost.

In this case, where is the necessity that the present East India Company should be the one in whose hands the trade is to be confined? They have proved themselves incapable of promoting the interests of the country as a commercial body, and have no claim whatever of right, after the expiration of their present charter, to arrogate to themselves the advantages of this exclusive Chinese trade. If exclusive it must necessarily be, the great interests

of the country imperiously require that a new Company should be immediately formed,* composed generally of the merchants and manufacturers in all parts of Great Britain. The formation of such a Company forms the only means by which the just interests and expectations of the public, can be reconciled with a monopoly of the Chinese trade. Let the trade be confined to a company, if that is necessary for its preservation; but in doing so, the public interests ought to be as little sacrificed to the interest of individuals as the case admits. A new company, acting with the vigour, enterprize, and judgement, not unusual to find in such bodies at their first establishment, would afford, immediately, a great relief to the manufacturing classes, by opening extensive markets for their goods; not certainly with so much effect as might be done by

individuals, but in a degree beyond all comparison greater than any thing which could be effected by the old company, oppressed with debts, and exhausted by abuses and corruptions of every kind. It could and ought to pay also a very large contribution to Government, as a compensation for its exclusive trade with China; one million annually, or probably much more, and that effectually paid, and well secured to the public.

This is the shape, which I have no doubt, this business will shortly take, if the China trade is to be monopolized. A new company will shortly be formed which will make large offers to Government for the exclusive trade; and the justice, reason, and necessity of the proceeding, will give it a weight that it will not be easy to resist.

I have now finished what observations it was my intention to make at present upon these subjects, on which the public attention is so much excited. Almost every town in England, deriving support from manufactures or commerce, every one almost in Scotland, and many in Ireland, have come forward in a manner altogether unanimous, and in connexion with no party, to declare their sentiments and expectations to the legislature on the subject. No expression of public opinion, in any degree similar to it, has taken place in any time. The people having their expectation previously fixed on the period, when the trade to the East would be open to them; appear, through the whole Empire, to have been actuated by one simultaneous impulse, the moment they came to perceive, generally, that there existed an intention to continue the system of that exclusive trade. If the

commerce of the country had prospered generally, the exclusive charter might have been probably renewed with as little opposition from the public as it has been on former occasions, and the East India Company have been suffered to labour on under its abuses and its difficulties for another term of twenty years, if it did not indeed yield to them long before the termination of that period. But the present situation of the public does not allow them to make so large a grant out of their resources, in the vain expectation of supporting a company, which nothing can render effectually conducive to its own benefit, or that of the public. I consider the fate of its commercial monopoly, in fact, as determined. No administration, will, I think, venture to persevere in sacrificing to any minor or paltry considerations, the great interests of our commercial and manufac-

turing classes in their present situation, and that of the public, and with their attention fixed as it is upon the transaction.

Every thing that we see in the situation of this country indicates that it approaches some great crisis. But nothing, in that situation, appears to give cause for more great and just alarm, than that kind of discontent and ferment, apparently the preparation for change, which exists in the public mind. The great interests and population of this country are commercial. As long as commerce flourished, and the people were satisfied with their private affairs, there was no real danger from their political notions. Party-spirit might run high, and violence of expression be made use of, but people occupied satisfactorily with their private pursuits, will

not quit or endanger them to amend the affairs of the country. It is otherwise when the private affairs of individuals are generally ruinous; and present them no prospect of satisfaction or comfort. The strong current of private discontent then turns upon and endangers public affairs, and the minds of men are gradually prepared to embrace and devote themselves to any change. Why is it that I point out these things? It is to impress on the minds of the Government, the situation in which they stand; and to warn them of the danger of disappointing any just expectation of the people, or of taking any measure that would convince them that their interests are not attended to. The continuing to the East India Company their exclusive trade to India or China would be a measure of this kind. In the present state of commercial

knowledge its total impolicy could not be concealed, nor could the^{*} public be prevented from seeing and believing, universally, that it was prompted by undue motives. By throwing open fully the whole
 * Eastern trade, the Government would lay a strong hold on the confidence of the public; and might with that strength, refuse to them, if occasion were, with the less apprehension of mischief, any other measure of doubtful or injurious policy.

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SUBSTANCE
OF THE
S P E E C H
OF
RANDLE JACKSON, ESQ.

DELIVERED AT A
GENERAL COURT OF PROPRIETORS
OF

East India Stock,

ON TUESDAY, MAY 5, 1812.

UPON THE SUBJECT OF THE NEGOCIATION WITH HIS
MAJESTY'S MINISTERS, FOR A PROLONGATION
OF THE TERM OF THE COMPANY'S
EXCLUSIVE CHARTER.

Printed by Desue of the General Court

FIFTH EDITION.

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S U B S T A N C E
OF THE
S P E E C H
OF
RANDLE JACKSON, ESQ.

THE Chairman (Sir Hugh Inglis) having informed the Court, that they had met agreeably to adjournment from the last meeting, which had been summoned by the Court of Directors, who wished their opinion and directions as to the course which they should pursue in the future negotiations on the subject of the renewal of their Charter. The Court, he said, was well aware of the unfortunate change which seemed recently to have taken place in the sentiments of his Majesty's Ministers ; the papers being all printed and now before them, himself and his colleagues invited a full, fair, and free discussion of their contents.

Mr. JACKSON then rose, and observed, that the Court was met at a period of the utmost importance to its interests and its honour, but of greater importance still to the best interests of the Country ; for those interests must still go hand in hand ; they were identified with, and inseparable from each other. Under this impression, the Company had uniformly acted, they even now sought no advantage which they could not show to be for the good of the State : and he thought he might safely appeal to the first resolution which the Court had come to

on this business, as a proof, that however justifiable they should be in debating there their particular interests, they had considered themselves as standing in that Court in their higher character of British Citizens and as such challenged the strictest animadversion on their conduct *. He was confident that

* At a General Court of the United Company of Merchant of England, trading to the East Indies, held April 3, 1812.

Resolved Unanimously, That this Court having perused the papers laid before them at the last General Court, desire to express the high sense which they entertain of the great ability, zeal, and fidelity, with which the Directors have maintained the interest of the East-India Company. They return their thanks for the powerful and convincing arguments by which they have shown the danger which would await the British Empire, from opening the trade of India, and the immense advantages which the nation has derived, in strength, revenue, territory, and character from the capital and the exertions of this Corporation.

That although this Court will feel it their duty, on all occasions, to bow to the determination of the Legislature, they cannot but observe with extreme concern, that no proposition is suggested of an increased or further dividend, either now or hereafter, or advantage of any kind whatever, to the Proprietors of East India Stock, notwithstanding the negotiation for the renewal of the Charter, in 1793, begun with a proposal for an increase of dividend of two per cent, which Charter opened the trade but in a limited and partial degree and notwithstanding that, while such great and progressive advantages have been obtained for the Public at large, the Proprietors themselves have made but the more than common interest for their money. That now to be called upon to part with an undefined proportion of a trade thus established, and maintained hitherto at their sole expense, without any consideration for themselves, seems to them to be wholly inequitable. Under these impressions, this Court conveys to the Honourable Court of Directors the cue of its interests in the farther negotiation for a new Charter, trusting

he should be able to show, that all which their Directors had so nobly contended for was warranted by the experience of ages, and by the declared sentiments of the profoundest Statesmen, not excepting his Majesty's Ministers themselves. It was true, that, by a recent recession from those sentiments, they had placed the Company in a very awkward and painful situation, but he had a right, in argument, to avail himself of their previously declared opinion, and should do so, leaving the world to judge of the validity of those motives, to which they would most probably ascribe the alteration. It

to the justice of their fellow citizens, as well as to his Majesty's Government and to Parliament, that they shall receive that liberal treatment, which they regard themselves as so eminently entitled to at the hands of their Country.

And that the Directors be requested to report their proceedings, from time to time, to this Court.

That this Court cannot contemplate the essential change proposed in the constitution of the Company, by an unrestrained trade to and from India, without great concern and apprehension; not so much on account of the injury to which it will subject the Company in their commercial privileges and profits, as on account of the tendency which such a change must have to affect the system established by the Legislature, for the civil and political government of the Company's territorial possessions, whilst it is not at all likely to afford to the commercial interests of this Country the advantages expected from it.

Should, therefore, the opening of the trade to India be the ultimate determination of Parliament, this Court cannot but express its hope, that all due care will be taken to accompany the enlargements which shall be given to individuals in the Indian trade, with such regulations as shall most effectually guard against the dangers to which those enlargements might expose the existing system of Indian administration.

was not surprising that when this change was first announced to the Proprietors at the last General Court, if they should have expressed themselves with warmth, at a conduct which they not only considered as a departure from those principles which were understood to have been agreed on between his Majesty's Government and the Company, but as treating the Company on the part of the public with ingratitude and injustice. The Proprietors were now however met, finally to make up their minds as to what line of conduct they should adopt under the circumstances in which they found themselves, and with reference to the whole of the papers laid before them. He trusted, therefore, that they would pursue their deliberations with that calmness which could alone invest them with dignity; with that dispassionate and patient investigation which could alone give them weight with the public; and though a question of high political consequence, he trusted that nothing like party feeling would be discernible in its discussion; he had had the satisfaction of observing, much as that spirit might rage elsewhere, that it had not for many years disturbed that Court, not that the Members of it could be supposed insensible to political predilections they were in general persons too well educated, and of too high a station in society to be supposed free from such impressions; but they had always thought it most becoming to confine themselves within the character which the State had been pleased to assign to them, and to limit their debates to the commerce and to the government of India. He

had no hesitation, for his own part, in avowing the sense which he entertained of his Majesty's Ministers; he thought highly of the endowments of several of them, and he believed their integrity to be unquestionable; but, upon the present occasion, he should speak of them as they appeared to him through the medium of the negociation before the Court; yet, while he treated them with freedom, he hoped he should not depart from due respect; he would make no observations but such as the printed papers warranted, and as the resolution which he meant to have the honour of offering to the Court would be grounded upon those papers, he should have occasion frequently to call their attention to the leading points which they contained; he must do this somewhat minutely, being anxious that their adversaries might not have it in their power to charge them with wandering either in their resolutions or debates from the known facts and recorded documents of their case.

Before he commented upon the papers, Mr. Jackson said he would shortly notice the numerous petitions which had lately been presented to the Houses of Parliament; many of them undoubtedly deserved great respect and attention for the able and enlightened expositions which they exhibited, while others of them teemed with every species of absurdity, mixing up the leading topics of popular complaint without order or discrimination, and that in a manner which showed to demonstration that they were the result of artful excitement, procured with the most malignant motives, and containing

doctrines but little understood by those who signed them. Some of them had indulged in the wildest theories, and instead of reasoning upon the probable extent of Indian export and import, talked of the inalienable privileges of human nature, and the imprescriptible rights of man! treating all colonial regulation, as at best but qualified usurpation, and contending that every British Subject inhales with his first breath, a right to trade to every part of the British dominions, and to traverse Bengal Bay, Botany Bay, or any other bay, without let or hindrance from the parent state! He was sorry to hear that such doctrines had found an advocate in an eloquent Member of the Upper House, a Noble Lord, who had formerly been one of the most ardent champions for social order; but who upon this occasion (such seemed to be the fate of ardent minds) was found ranged on the side of the opposite extreme! These Petitioners, he was informed, had numerous delegates in London, who formed general and sub-committees, which had not been inaptly called committees of coercion, whose functions, besides procuring petitions from every hole and corner of the United Kingdom, were to canvas and cross-canvas Members of Parliament; and when personal applications in London failed, then to procure a broad hint from some of their constituents in the country, as to which way it was expected they should vote, so that there, perhaps, never was a great public question on which Members were less free to follow their own cool and unbiased judgments, than that which related to the prolongation

of the Company's present right of trade. He himself (Mr. Jackson said) felt less apprehension from the petitions than many other persons; they would have but their day. The actors had over-acted their parts, they had already disgusted the audience, and, he had no doubt, would soon think it wise to withdraw a great proportion of their pretensions from that sound understanding, and true discernment, which he had never yet known to fail the British Public, after it had had time and the means of duly examining both sides of a question.

✓With regard to the documents on their table, Mr. Jackson said, he was glad to observe that nothing more was said respecting the Indian Army, and he hoped the fate of the Empire was not about to be tampered with, respecting so mighty an engine of its defence; he should, therefore, regard that part of the negotiation standing as it did when he had the honour of addressing them at the Court before last, and consequently forbear any observation upon the subject. As to the trade of the Company, the main proposition of the Directors was, That the commerce of the Company, and the government of India, were absolutely inseparable: they had been born and bred together; they had grown with each other's growth, and strengthened with each other's strength; they had fed, nourished, supported, and considering the difficulties which their commerce had encountered and subdued, he might add, fought for each other; united, they formed the grandest and most stupendous edifice the world had seen; separate them, they will crumble and fall,

and with them the resplendent glory of our Country, thus shorn of its brightest beam. Such he would show to have been the opinions of most able Statesmen, and such was the influence under which the Directors evidently wrote their letter of the 16th December, 1808, which might be said to be the first material paper. That letter professedly avoided "any detailed specification" of proposal, but desired to offer "suggestions of a general nature, as the principal foundations on which a new agreement between the Public and the East India Company might be placed." It said in substance, but, as he thought, in less assuming phrase than the facts warranted, "It is now upwards of a century that the East India Company have acted under a charter distinctly defined, sanctioned, and continued by various acts of the Legislature : during that period, notwithstanding we have had difficulties to encounter, and expenses to struggle with, which must long since have overwhelmed and annihilated any other concern, or any other people, we have acquired for our Country, not for ourselves, for we have rarely derived more than common interest for our money, the most splendid territories upon the face of the globe ; we have obtained for you sixty millions of subjects, to whose happy situation, attachment to, and entire confidence in us, we refer you for the character of our Government ; they swell our armies, they venerate our laws, and choose us for their judges. These territories yield a gross revenue of sixteen millions, and Ministers have thought their capacity for yielding an annual net surplus of a million sterling a moderate calcula-

tion. We maintain an army of 150,000 men, we will only say of them that by their means all India is kept in peace towards the Company ; however, the native Princes may molest each other, the name of England is its shield, the most powerful Sovereigns of India acknowledge our superiority, each European Power has been removed in succession, and though it is not many years since France disputed with us the palm of Oriental rule, not a Frenchman remains in India. The domestic benefits which we have been enabled to confer on our Country are of no ordinary description. We and those connected with us have exported through the medium of the Company, £2 320.000 per annum, besides the privileged goods of Commanders and Officers to a considerable extent; and our imports have netted, in duties to Government without risk, trouble, or material expense, upwards of £1,000.000 per annum! Our tonnage amounts to 101,797 tons. Our trading ships are men of war, and so armed and navigated as successfully to have coped with the ships and frigates of the enemy; their crews consist of one thousand six hundred accomplished commanders and officers, and of eight thousand seamen for whom our trade is a perpetual nursery. We besides maintain in this great City a prodigious Establishment; and numerous, indeed, are the families who owe their reputable means of living and their comfort to our well-conducted commerce. Is it too much then to ask of his Majesty's Government, (not, we repeat, so much for our own sakes, as for the sakes of the thousands and tens of thousands

that depend upon us, and whom we are bound by every tie of honour, gratitude, and affection to protect) “that we may be allowed to continue our course, a blessing to our Country beyond all historic example, the wonder of Europe, and the envy of its malignant Master.”—Such was the prayer and such the general pretensions of the Company on opening the negotiation. He would, however, state the first proposition which that letter contained, *verbatim*, in order the better to apply the answer which followed. The Directors say, “The system by which the Legislature has continued to the Company the government of the territories acquired by it in the East, *with a regulated monopoly of the trade*, has been held by the most eminent persons conversant with that quarter and its affairs, to be the most expedient both for the foreign and domestic interests of this Country.”

Lord Melville's reply is dated the 28th December, 1808; to this part of the Directors' letter he says, “Concurring *in substance* with the proposition contained in the first article, I shall not enlarge upon its details. I have not yet heard or read any arguments against the continuance of the system under which the British possessions in India are governed, of sufficient weight to counter balance the practical benefits which have been derived from it, in their increased and increasing prosperity and the general security and happiness of their inhabitants.” He adds, “any alteration, therefore, which may be suggested in this part of the system, will probably be *only in its details*.” Thus it is plain, continued

Mr. Jackson, that Lord Melville admits the increased and increasing prosperity of India. The only alteration which he contemplates in their commerce he explicitly states to be. "That merchants and manufacturers shall trade to and from India and the other countries within the limits of the Company's exclusive Charter, in ships or vessels hired or freighted by themselves, excepting the *the dominions of the Empire of China*." He concludes with an assurance, "that it will be the earnest desire of his Majesty's Government to suggest to Parliament such a *system only*, as shall be conformable to the *principles on which the regulations of 1784 and 1793 were founded*." Now, the leading *principle* of 1784 and 1793 was well known to be the conducting of the trade of India by a "well-regulated monopoly." The eminent Statesmen of those days held that opinion, and particularly the Noble Lord's father. Mr. Jackson said, he used the term *monopoly* because he found it there, and by way of distinction; but it was a solecism to call that trade a monopoly which admitted the whole Country to a partnership in its eventual gains, as provided by the Act of 1793, and other acts; and which allowed any merchant or trader to export to, or import from, India, an extent considerably beyond what had ever been claimed. For the Act of 1793, a fact not generally known, so far opened the trade of India as to allow Private Merchants the privilege of trading thither, and consigning to, and receiving from, their own agents, to the amount of three thousand tons per annum; this privilege, he believed, was unknown

to much the greater part of the Petitioners, who he apprehended, were still less aware, that out of this three thousand tons, not more than one thousand two hundred and eleven tons per year, on an average of eighteen years since 1793, had been claimed, and of this, on an average, four hundred and thirty tons per year were of wine and beer, though unlimited permission was now so loudly demanded: nothing appeared from the letter alluded to, to show that even indiscriminate *export* was intended, or that the ships of Private Merchants should proceed from any other port than that of *London*; and as for any other kind of *import* than through *London*, he believed it had not then been thought of; on the contrary, Lord Melville declared the principles of 1781 and 1793 to be his groundwork, with which such mode of import would be entirely incompatible. This declaration, Mr. Jackson said, had come from a man of no ordinary ability, one who was known not to commit himself lightly, who seldom acted without proper deliberation, and who, however unassuming in himself, perhaps yielded to few in the wisdom of his conclusions. Mr. Jackson said, that before he proceeded to show how inconsistent a late communication was with this letter of Lord Melville's, whose principles it went not to regulate but totally to subvert, he would notice another part of his Lordship's letter, which fully warranted what himself had said at a former Court respecting an increase of dividend; he had been much misapprehended on that subject, and particularly by an honourable friend of his (Mr.

Geo. Johnstone), who had treated his argument as if he had proposed to stipulate for an immediate increase of dividend, whereas the objection which he had taken was, that the negotiation neither stipulated for any present or prospective advantage to the Proprietors; and as it now stood, they might go on for twenty years more without the legal possibility of deriving any; he had observed on that occasion, that the former negotiation of 1793, which took but a small part of the exclusive trade away from the Company, commenced with a proposition of an increased dividend of two and a half per cent. which it grounded upon an expected surplus from India; it was evident that the same expectation existed in the present Lord Melville's mind, and that he also thought that the Proprietors should not be kept thus out of sight. Lord Melville says, in this same letter, "I think it very desirable that no measure should be adopted, in the renewal of the Charter, which would have the effect of reducing the value of the capital stock of the East India Company, *and that due care should be taken to secure their proper share of advantage, in any future amelioration of their affairs.*" That his Lordship looked for such an amelioration was evident, from the following sentence: "The most sanguine expectations of a result even more favourable (that is, than bringing the expenditure within the income), and of a large surplus revenue above your ordinary expenses in time of peace, have recently been conveyed to you by Lord Minto." In a subsequent letter is again expressed the confident expectation of a considerable surplus; surely then it was but

reasonable to require that some provision should be made in any act which might pass, that the Proprietors, the real merchant adventurers, and owners of the whole concern, should not be the only persons forgotten in the arrangement. He had not meant absolutely to contend for a present increase of dividend, equitable as it might be; but as the Indian debt had notoriously been contracted for political purposes, for the advantage of the Country, as well as by its owners, and that even a part of the profits of their commerce had aided its liquidation, he thought it but common justice, that when a certain portion of it had been paid off, say five millions, an increase of dividend should take place out of the next surplus, and so on progressively in proportion as they should discharge that debt. As for a remission of the property-tax, he had not approved of applying for it upon the present occasion; he thought that the saddling it personally upon the Proprietors might at the first have been avoided, but he thought it now, if meant by way of satisfaction, not worth their acceptance, and beneath their entreaty; while the other mode which he had suggested was a broad and a fair proposition, which he should think it grossly unjust to resist.

He had before observed, that although Lord Melville had intimated as a *sine qua non*, that the goods and ships of private merchants should be admitted to trade with India, no demand had yet been made that they should be permitted to proceed indiscriminately from the *Outports*, a measure which the most experienced persons believed to be big with danger to our Indian empire; an

exception had been made even as to their trading at all with the Chinese dominions, an exception which Lord Buckinghamshire's letter had since in fact overruled, for whether such trade should be direct or indirect it was the same thing; if admission to those seas were conceded, the Company could not go on with propriety a twelvemonth longer. Mr. Jackson said he would go regularly through the papers, which would clearly prove, that the idea of indiscriminate *import* had been but recently taken up; how produced, or under what influence, was not for him to say.

The next material paper was the letter of the Chairman and Deputy Chairman, Messrs. Grant and Pany, dated January 13, 1809. It was quite impossible for him (Mr. Jackson said) to do justice to this paper, it contained a most masterly review of the whole question, so much so, that no person who should read it, could well plead ignorance hereafter. Its reasoning was so clear and dispassionate, it contained so much sound sense, and true British philosophy, as well to entitle it to the praises which it had universally received, and to the impression which it was known to have made upon reflecting and impartial men. As many of the propositions contained in that paper were found among the subjects of subsequent discussion, he should not then enter particularly into its contents; suffice it to say, that it seemed ineluctably to prove, that the only safe way of letting the private merchant into the trade of India, was through the medium of the Company's shipping, and subject to the

wholesome regulations of the Company's own commerce; and that any other mode, for the reasons therein set forth, would be extremely perilous to the interests of the Country; it showed the means and the energies which had been employed to force a greater export trade to India, and satisfactorily proved the moral impossibility of further extension, among a people whose habits of life admitted but of so limited a use of European manufacture; it showed any material increase of *import* to be equally unlikely, and exposed the fallacious grounds upon which hopes of a different kind were built, and how certain they were to end in disappointment, though perhaps not till irreparable mischief should have been done to that settled system, which had hitherto proved so wonderfully beneficial to the Country, that it would in fact be opening the trade to all the world; that smuggling would be the leading pursuit, and rise above all control; that colonization, with its long prospective train of political evils, would necessarily ensue; that the China Trade, that staff of the Company, must consequently fall; and that, in short, so completely would the indiscriminate opening of the trade subvert those principles of 1784 and 1793, which Government had professed to consider as its landmark, that "with the prospect of all these consequences commercial and political before the Court, it is impossible that they, as faithful guardians of the interests committed to their care, or as men truly solicitous for the welfare of their Country, could advise their constituents to seek a renewal of their Charter, on conditions which would

despoil it of all its solid advantages, deprive the Company of their most valuable privileges, and incapacitate them from performing for themselves, and the nation, the part hitherto assigned to them in the Indan system."

This letter seemed to have had great and deserved weight with his Majesty's Government, as Lord Melville, in his next, dated December 17, 1811, refers to it without pressing any one of those points which had been thus strongly objected to, but declares his readiness to discuss with the Directors the *details* of the system ; " if they are willing, that *the ships* as well as goods of merchants may be admitted into the trade with India, under such restrictions as may be deemed necessary." This was the condition which he had laid down from the first ; to this he had uniformly adhered, but up to that hour it had been on no occasion required by Government that such ships should be allowed to proceed *indiscriminately from the outports*, and the Directors still hoped, that the evident peril of such a licence would prevent it from being conceded ; indeed, it was evident that his Lordship at that time contemplated only the single change of admitting the *ships* of Private Merchants, as well as their *goods*, he makes it a preliminary to the arrangement of the debt itself, saying, " If the Court of Directors are willing that these discussions, on the renewal of the Charter, shall proceed in so far as relates to the question of *the trade*, on the principle to which I have adverted, I shall be ready to receive from you

any suggestions you may have to offer on the subject of the debt," &c. &c.

The next paper of importance was a letter of March 4, 1812, from the Chairman and Deputy Chairman, Mr. Bosanquet and Sir Hugh Inglis. This letter, Mr. Jackson said, was likewise written with great ability; it indicated a thorough knowledge of the subjects on which it treats, derived from that best of all sources long experience, and the writers of it fortify their statements by a variety of accounts, showing the imports and exports of India, through the different mediums of the Company; of their commanders and officers; of private traders; of Americans; and of foreign Europeans; with their respective proportions of bullion, and of goods and stores. In this paper is exhibited what is called the *outlays* of the Company at home and abroad; and their various contributions at different periods to Government, either by way of aid to their Country, or in consideration of the Charter; which appear to have amounted, from the year 1768 to 1812, to the sum of £5,135,319; and it concludes with an account of the duties of customs and excise on goods imported and exported by the Company, which for the year ending Jan. 1811 amounted to no less than £4,213,425. This letter begun with assuming it to be the final determination of Government "that the trade with India should be extended to the *ships* as well as *goods* of Private Merchants, under such restrictions as might be deemed necessary." The Chairmen repeat the solemn conviction of

the evils which must follow such a measure ; they express the reluctance with which they shall be obliged to offer it to the Proprietors, with whom alone the power rests of consenting to such a fundamental change in the constitution of the Company." But " the Court hopes that in the extension of the trade which the Company now enjoys, his Majesty's Ministers have not had in view the hazardous experiment of dispersing over all the Ports of England and Ireland a trade now brought with so much advantage both to the Company and the Public to the single *Port of London*." It was plain therefore that up to this period the *indiscriminate import* lately called for, had not even been intimated ; so far from it, he would show from the next paper to which he should refer, that it was expressly, and in terms, declared, not to be the intention of Government to allow it. It was observable (Mr. Jackson said) that this letter noticed, and refuted, two of those subjects of declamation in which their adversaries had so much indulged ; the one was a charge that they called upon the public for sums of money to enable them to prosecute ruinous undertakings ; the other was a convenient allegation, that the Company gained nothing by its commerce, and that consequently it ought to be less tenacious of its preservation. The Chairmen answered both of these points, with great force and equal simplicity ; they show that so far from our requiring public aid for our *commerce*, our need has arisen out of that political course which the Public had directed, through its Government, to be pursued, and to satisfy debts which

their commands had thus created, but that the *commercial affairs* of the Company, which were all that were now left to their unrestrained management, had produced advantages sufficient to allow of a moderate dividend to the Proprietors, over and above which, a surplus has been applied, arising from this source, towards the extension of that territory, the acquisition of which has been under the immediate direction of his Majesty's Ministers." A statement then follows, which shows the skill with which the Company's affairs must have been managed, to have carried on so vast a Concern with so limited and so unequal a capital. When it is recollected that the East India Company rank higher for the punctuality of their payments and general credit than almost any other Concern whatever, public or private, this consummate skill, and its effect, can perhaps be only attributed to that system, which ages had consolidated, with high integrity for its foundation, and experience for its guide; yet such was the system which it was now sought to subvert and utterly to overthrow!

The remainder of this enlightened paper, again brought to view the train of advantages which the Country has derived from that stupendous object of its own creation, called the East India Company, and aptly enforces, among other considerations, that "the whole of a vast revenue has been brought into the Exchequer of the Public, without the Public having been called upon for any direct contribution for the preservation of the source from whence such advantages have had their rise."

Another most important observation presented itself from the perusal of this document. It contained, among other information, an account of the American 'Trade to India, which seemed to prove beyond the possibility of doubt or contradiction, that the *Export* Trade to India and its dependencies has already been pushed as far as it would admit of. The Americans were known to sail to the Indian seas under every possible advantage; they united great skill and enterprise, with two of the most decisive qualities for commercial success, rigid economy, and avidity for gain; they were under no restraints in seeking a market, but had access to every port or creek in India or the Eastern Isles; and though there was scarcely a place of the least note in which the Americans had not made their appearance: yet, with all these advantages and incentives, they had not been able in six years to export more than £667,654, in merchandise and manufactures including those of their own country, to £4,543,662 of bullion, which article generally averaged about seven-eighths of the amount of their Indian export. The Americans had vast depôts of British Manufactures among themselves; they were continually in this Country, where they could obtain them to any amount upon almost unlimited credit: the profit upon them, if they were really in demand, must, in the nature of things, be much greater than that upon bullion; the policy of exporting the wares of their own country must be as evident as with us, and yet such was the miserable portion of British and American goods in their

aggregate Indian export. The reason was obvious : the almost only consumers of British manufacture were the European Residents ; the market for their supply was frequently glutted, as the Company themselves annually exported upwards of one million of goods and stores, their Commanders and Officers nearly half a million more, and the Private Traders, who were let into the Indian Trade by the Act of 1793, about £400,000. Compare this considerable export with the wants of the Europeans in India, and it was plain that they were fully supplied. It was equally plain that the British manufactures have already all the orders which India can furnish, with this difference, that at present they work for long-established and settled connections, but, if their petitions be complied with, they must themselves become the merchant Adventurers, or trust their property to persons of a very different description from those who were now their customers. Persons who reflected for a moment upon the natives of India, their climate, their habits, manners, and religions, must be convinced that no attempt could force or seduce them into the consumption of European manufactures ; nature, taste, and a capacity for purchase, were all against the probability. But even this experiment the Americans had tried to the utmost, and the amount of their manufactured exports showed it to have failed. Did this then, he would ask, afford any prospect of advantage, to be for a moment balanced against the known and admitted perils of indiscriminate access to India ? and did it not completely confirm

the opinion declared by their Directors, that ruin and disappointment must fall upon the speculators in such a trade, after all the mischief which may have been occasioned to the Country and the Company by the licence allowed to them? Nay, he would show from a succeeding paper, that such was the expectation of Ministers themselves, though unfortunately they seemed about to give way to the rash and perhaps fatal experiment.

Mr. Jackson observed, that he had stated that up to this period Government had not unfolded any purpose with respect to their trade beyond that which Lord Melville had declared as *the principle*, upon the concession of which he would only commence discussions as to *details*. At this period (the 2d March 1812), the Deputation of Directors presented to his Lordship a string of twenty-five propositions, entitled *Hints*, as was done in 1793; they were all of great importance, but he should only notice such as bore immediately on the question of *Indiscriminate Private Trade*, and he would show from them that the Directors did not then understand it to be the determination of Government that the ships of Private Traders should proceed even *outwards*, otherwise than from the *Port of London*, and that *both* Government and the Directors, decidedly, emphatically, and in terms, agreed, that the China Trade should not be put in hazard, but be left upon "its present footing." Its present footing was known to be a direct, unequivocal, exclusive privilege, without the enjoyment of which, they had been fairly told by the Direc-

tors, that the Company could **not** continue to pay its dividends, or discharge its functions; in short, it could not go on; or, if it should go on for a year or two, or more, it must be under circumstances of progressive and increasing weakness. Whatever might be the fate of the Company, no man could say that the Directors had not spoken out; it was under, and on account of such an intimation, that the Court was now met, and the plain English of the question for their deliberation was, Whether they should begin to wind up their affairs now, with all the legal advantages which they still possessed, or a very few years hence, when comparatively destitute of strength, and much less able to cope with any disposition there might be to oppress them? Whether their exclusive trade to China should be affected immediately or consequentially, it must be equally fatal to their commercial existence.

The Deputation offered their first three Propositions in the following terms:—1. “No British or Indian ship to sail directly or circuitously from a British Port in Europe to China.”

2. “No British Subject to be permitted to reside in China, without the Company’s licence.”

3. “No goods the growth or produce of China to be *imported* into any Ports of the United Kingdom, except by the East India Company.”

It should be observed, that Lord Melville’s answers to these Propositions, are not like his first intimations, such “as have occurred to him,” but not, “matured in concert with his Majesty’s confidential servants;” these answers, on the contrary.

profess to convey, “ the sentiments of his Majesty’s Government on the several points to which the propositions relate ;” and the Court was now to judge what in candour and plain dealing those sentiments amounted to.

In answer to the three first propositions, Lord Melville says, “ 1st, 2d, 3d, It is deemed advisable, and with a view to the security of the Revenue, and to other objects connected with the Trade to China, to leave it *on its present footing*, and to guard, by proper regulations, against any encroachment on that branch of the Company’s *exclusive privilege*.” — “ Its present footing” (Mr. Jackson repeated) was a secure footing, arising from the positive prohibition to any private British Subject to import a single article from China, or even to sail into those seas, or into any of the Company’s Eastern territories, without their permission.

The Deputation of Directors, by the frankness of their Propositions, had put all ambiguity out of the question, and left no room for doubtful construction. Their sixth Hint comes immediately to the point as to the *Import Trade*. “ 6th. The whole of the Indian Trade to be brought to the *Port of London*, and the goods sold at the Company’s sales, and to be, as at present, under the Company’s management.” Nothing could be more explicit than the language of this proposal; the answer given by Lord Melville, in the name of his Majesty’s Government, was no less so. Nothing like doubt or hesitation appeared, but full and perfect admission of the validity of the suggestion and consent to its

adoption. "6th Answer:—The adoption of the regulation suggested in this proposition, will probably tend to the security and advantage of the Public Revenue in collecting the duties on all articles imported from the East Indies and China, as well as other countries to the eastward of the Cape of Good Hope." Here was a direct agreement and understanding between the Directors and Government, that all Indian *Imports* should be to the *Port of London*. How, without a most extravagant violation of all rules of construction could a departure from this important and vital principle of the negociation be now treated as an "alteration in the *detail* of the business?"

The Directors offer their Eighth Proposition in terms equally explicit; and though the answer is not favourable, it is equally frank and intelligible; the Directors still adhering to the opinion which they had so seriously taken up, and so well supported, as to the deep impolicy of *indiscriminate export*, propose,

8th. "No private ship to be permitted to sail for *India*, except the *Port of London*."

Answer.

8th. "There does not appear to exist sufficient reason for preventing ships from clearing out for the East Indies from *other Ports* of the United Kingdom, besides the *Port of London*."

But aware of the danger to which such permission would expose the China Trade, the Directors pray, in their Twenty-fifth Proposition, that such ships may not be allowed to sail further eastward and north

than certain points. The answer to this proposal still shows the understanding that the China Trade should not be placed in any predicament of danger. Lord Melville says, If this object "can be obtained by exclusion from the Dominions of the Emperor of China, and a prohibition to import the *Produce of that Country* without a licence from the Company, it *will be preferable* to the mode herein suggested," clearly admitting that if the China Trade cannot be put above hazard by any other mode, private ships should be totally excluded from the Eastern Seas.

The letter from Lord Melville, which accompanied these answers was dated the 21st March, 1812, his Lordship, as Mr. Jackson had before observed, declares them to be "the present sentiments of his Majesty's Government;" he adds, "public discussion on such an important question may possibly produce an alteration of opinion on some of the details, and though the subject *has been fully considered*, it may be deemed necessary, in the further progress of the measure, to propose on some points *regulations* of a different description from those which are suggested in the enclosed observations." His Lordship, in the subsequent parts of this letter, clearly shows that he himself continues of the opinion which he had expressed in December 1808, that the principles of 1784 and 1793 ought to be the basis of the agreement; that every departure from them has been against his better judgment and that he concurs with the Directors, and with every thinking man acquainted with India, that

disappointment must follow even the concession to which he has yielded, he says, "You will do me the justice to recollect, that in all our discussions on this subject, both recently and on former occasions, the admission of *the ships* of Merchants in this Country into the trade of India, in concurrence with those of the Company, has never been urged as a measure, from which much immediate benefit would, in my opinion, be derived, either to the *Country* or to the *Individuals* who might embark in the speculation; and I certainly am not without *considerable apprehensions* that at least on the first opening of the trade, the public expectation, as to the British territories in India affording any considerable outlet for British manufactures, beyond the amount of *our present exports*, may be disappointed." Could there be a more significant admission, from a Statesman, that he was yielding to clamorous solicitation that which his judgment would withhold? He further admits himself fully to concur in the apprehensions of the Directors respecting the "unrestrained intercourse of Europeans with the territories of the Company or of the Native States in India," and allows that it will be the duty of Parliament not only to consider "whether it may be *safe* to prolong the whole or part of the Company's monopoly, but whether it may be *unsafe* to abridge or abolish it." In short, let any person connect the sentiments contained in this letter with those in his Lordship's letter of the 28th December, 1808, and it will be impossible to doubt, but that he agrees, cordially agrees, in the opinions of his eminent

Father, which Mr. Jackson said he should presently quote, namely, **that** the principles of 1784 and 1793 were the true, sound, political principles for the Sovereignty and Trade of India, and that in order to insure the preservation of both, the mode of the latter ought to be what has been styled “a well regulated monopoly.”

The next, and indeed the last, letter from Lord Melville, who soon after quitted the India Board, was dated 23d March, 1812, which Mr. Jackson said he referred to, merely to prove that his Lordship uniformly contended, that from the reduction of expense which had already taken place, and which still might be effected, “a confident expectation might be entertained, of a large annual surplus available towards the reduction of debt.” This was on all hands admitted to be a political debt, incurred by territorial acquisition and defence, which purposes it had been shown had been materially forwarded and aided from the profits of their commerce; surely, surely, it was not too much to ask from reason and justice, that as this debt should be progressively liquidated, some advantage should be extended to the Proprietors beyond the common interest of their money!

He had now (Mr. Jackson said) travelled through the first set of papers, and he thought they strictly warranted, the Directors as to the conclusion which at that time they believed themselves to have come to with Government, and which had been so forcibly and emphatically stated by their late Chairman, Mr. Bosanquet, namely, that their army and the

China Trade were to be left entire, unmolested, and unexposed. And that, although the *Ships* of Individuals were to be let into the Trade of the Company, there still remained hope that Government would be convinced of the wisdom of confining their *outfit* to the *Port of London*; but that at all events it was understood and agreed in the language of the Sixth Proposal, the answer to which he had read to the Court, that “The whole of the Indian Trade was to be brought to the *Port of London*, and the goods sold at the Company’s sales, and to be as at present under the Company’s management.” Such had been the communication made to the Proprietors by the Court of Directors, and such was the impression under which he himself had opened the business of the General Court on the 2d of last month.

It would now (Mr. Jackson said) be his painful task, to notice the subsequent part of the negotiation as it appeared from the second set of papers which had been laid before them at the last Court, from whence it would appear that Ministers had since unfortunately taken another view of the subject.

The first document material to the question (Mr. Jackson said) was the Resolution of the Court of Directors dated the 9th of April. The annual election was then over, new Chairmen had succeeded, as well as other Directors, and a new Deputation was now appointed to confer with his Majesty’s Ministers. A minute dated the 13th April, appeared stating, that the Chairman and Deputy had had a conference with the Earl of Buckinghamshire on the preceding Tuesday, the

7th instant. It was fair to suppose, that the letter he was now about to observe upon, which was from the Deputation to his Lordship, dated the 15th April, must at least refer to the then state of the negotiation. The Deputation apprise his Lordship of the recent Resolution of the General Court, and propose to themselves the honour of continuing the correspondence. They notice the opposition which had begun to shew itself to propositions, "respecting the necessity and importance of which his Majesty's Government and the East India Company appear to have entertained similar sentiments," and desire leave to remark "on the outlines of the negotiation as far as it *has hitherto advanced*;" they again express, in terms as manly as disinterested, their deep conviction as to the ills which must follow the opening of the trade, and their firm belief that the commercial advantages expected from that measure will not take place, while it may eventually endanger the security of the British possessions in the East. They say, "We must desire, on the part of the Court of Directors, distinctly, and in the face of the Country, to state this opinion, not as advanced without conviction to serve a cause, but as the genuine result of such knowledge and experience as the Court possess upon a subject respecting which they have better means of information, than any of those associations who are now eager to take full possession of the Eastern Trade, and upon which also it is certainly material that the Public should form just ideas." In order to enable Government and the Public to form these

just ideas, the Deputation take a masterly review of the whole question, such a one, indeed, as he (Mr. Jackson) should have thought would remove each particle of doubt from every impartial and reflecting mind. They observe, that till lately the Private Merchants affected only to ask for such portion of the Indian Trade as the Company's Commerce did not embrace, but that now they in fact sought a transfer of the Company's own Trade to individuals in the *Out-ports*, and they impute the extravagant and increasing demands of the Petitioners to the too easy concessions of Government in the first instance. They show the absolute impossibility of separating the Government from the Commerce, a proposition for which he should prove they had the highest authority, and are confident that it cannot be the intention of Ministers to break down and despoil the latter, it being of such vital importance to the Empire of India, they trust, therefore, that the wisdom of Parliament and the justice of the Nation will resist those rash and violent innovations,[†] evidently suggested from a deplorable ignorance of facts. They again refer to the propositions which had been made to Government, and to Lord Melville's answers; they examine them respectively, *seriatim*, and at large, particularly those which relate to the *export* and *import* of Private Traders. Upon the subject of the China Trade, they observe, that great as the question of revenue is, that is not the only point to be considered. Justice to the Company, was quite as obligatory a consideration. The China

trade had been given to them by the nation, for national purposes, and to such it had been most beneficially and faithfully applied. They show that competition in this trade would prove hurtful to the public interests. The corporate capacity of the Company, say they, was given to them in perpetuity: they must, at all events, be formidable rivals to any new adventurers. The Company already supplied tea enough for the whole United Kingdom, and they exported to China in the metals and woollens of this country to the annual amount of a million sterling, though frequently at a loss to themselves. The Chinese would raise the price of their articles as soon as competition should appear, while ours would, for the same reason, fetch less; a struggle between the Company and Individuals, continue the Deputation, must produce ruinous consequences to both. The jealousy of the Chinese Government would soon be awakened by the ingress of indefinite numbers of unconnected Englishmen. It was already either so indifferent to European intercourse, or so suspicious of it, that it allowed but one port throughout its vast Empire, to that purpose; and even from that it banished the Europeans to Macao; as soon as the ships had sailed, disorder must follow indiscriminate access to those seas, and general exclusion from Canton would as certainly succeed, and involve in its consequences four millions of revenue! a million of export! the employment of a large and most excellent fleet of ships, each of warlike equipment! the ruin of private speculators! the palsy of the functions of the Company! and the deprivation of

an article which had now become to all ranks of British Subjects a necessary of life!

Upon the dangers of the ships of private Indian traders being allowed to *proceed from and return to the Out-ports*, the Deputation are in this paper equally clear, emphatic, and convincing. They show that from the first institution of the East India Company its trade had used the *Port of London* only; and that the open, honourable, and satisfactory mode of selling all their imports to his Majesty's Subjects by public auction, is nearly coeval with the Company. They state the endless frauds and injuries to which altering this mode would open the door, considering that the Indian trade comes now in fleets, at stated seasons, and that the sales are at stated periods, which are well known to the merchants of Europe, who frequently resort to them in person, and are thence led to the purchase of many other articles, and consequently to the enlargement of British connection, or if that be not convenient, they know that through a broker, they can purchase upon precisely the same terms as if they were citizens of London, and present in the sale room.—So high was the Company's character with foreign Merchants, that purchases were made by them “on the faith merely of the descriptive marks; and goods on their arrival on the Continent frequently pass through various hands, before they are finally unpacked.” They truly add, “nothing so effectual could be devised for that security (meaning the Revenue), as to bring the imports to one place; to have them lodged under

the keys of the Government Officers ; to have them sold publicly in the presence of those Officers ; and finally to have the duties (upwards of four millions per annum), thus carefully ascertained, collected through the medium of the Company, and with hardly any charge to Government ! In short," say they, " the present system affords the most complete provision that can be imagined against defect, fraud, or expense, in realizing this branch of the revenue to the Public." How different, they argue, would be the case, if all individuals were allowed to import into all the *Out-ports* of the Kingdom, especially with small ships that could run into obscure ports in the remotest parts of England, Scotland, and Ireland?—Control would be impracticable. Legions of Custom-house and Excise Officers would be appointed, in spite of whom smuggling without end must be expected. If private ships were allowed to go to the *Eastern Islands*, they could find means to procure the article of *Tea*, and if also allowed to return to the *Out-ports*, smuggling would be by far the most gaining trade, and in fact, however covered or disguised, would be the real and principal object ! The certain consequence must be, a very great and serious abridgement of the Company's sales, and, if so, the Company's finances must sink, their great establishments be given up, their vast fleets, which at present were the means of transporting troops, stores, and warlike means to India, must be laid up, their buildings, wharfs, warehouses, and other articles of dead stock formed at a prodigious expense, and suited only to the Indian Trade which had so

long been theirs, must become useless and deserted ! and all this (supposing the best) in order to transfer the same quantity of oriental commerce to the *Out-ports*, an advantage so fatally overbalanced by the evils enumerated, and by the uncontrolled intercourse of Europeans with the East, a consequence which no regulations could prevent or avert. Surely, they say, such objections ought to be very clearly and satisfactorily answered, before so great a change is attempted, before a Concern which has subsisted for ages, and so succeeded as to be the wonder and envy of the world, is subverted and destroyed, either on the instigation, or theoretical reasoning of men, whose avowed object is the possession of that trade which they propose to take from the Company. The Deputation then remind Government, that they pointed out three years ago the effects of so great an innovation to the President of the Board of Control, and they conclude from his silence that he admitted those effects would, as they had stated, “ amount to the destruction of the Company’s Indian Trade, their Indian commercial establishments, their Indian shipping, and finally leave the China monopoly so insulated and unsupported as to bring that down also, and with it the whole fabric of the Company.”

Upon the 14th Proposition, which asked that no private ship of less than 400 tons burthen should be admitted into the Indian Trade, the necessity of which prohibition Lord Melville in his answer had not agreed to, the Deputation now argue very fully : Mr. Jackson said he had felt some surprise that

Lord Melville had not at once seen the importance of a regulation, which he (Mr. Jackson) thought must appear obvious to others. The Deputation observe, that at a very early period of the Company's history the smaller class of ships were dropped, and none employed of less than 500 tons burthen. That large ships gave a respectability to the British character in the eyes of the inhabitants of India, a distinction which they had strongly noticed in the case of the American ships. That not merely the respectability of the ship was important, but many, even political as well as commercial considerations were connected with the use of large ships. The Officers were gentlemen of education and took rank in society. They had great reputation for nautical skill, their discipline was known and admired, their conduct could be depended on, the vessels were equipped and employed as ships of war, and as such commanded respect for their country, and due obedience to it. The length of the voyage called for accommodations for a variety of officers, such as surgeons, and petty officers, such as carpenters, &c., that were not taken on board small ships, which proceeded to sea without the means of medical and other important aid. That the lives and health of seamen had been found to depend so much on the size of the ships in distant voyages, that even West Indiamen, which accomplished their passage in six weeks or less, were from 400 to 500 tons burthen: that small ships were not under the same kind of discipline, they could go into minor ports, more easily form connec-

tion with the Natives; and their intercourse, and consequent irregularities would be such as neither the vigilance or power of the Indian Governments would be able to discover or control. In short, if a mere chance *outward*, for the sake of smuggling *homeward*, was the speculation and the object of adventurers, undoubtedly small ships would best answer their purpose; but if an honourable commercial intercourse with India was the object of Government, it could only be maintained by ships of a respectable size and suitable equipment as to stores and force, under the conduct of able and responsible commanders and crews.

With regard to the 25th Proposition which asks that private ships may not have access to the Eastern Islands, respecting which Lord Melville in his answer had expressed some reluctance to comply, "provided the China Trade could be secured exclusively to the Company without such restriction." The Deputation show, that private ships having access to the Molucca Islands, could not be important to their owners, with any view to *mere legitimate commerce*, as the Company now grew spices in their own settlements. That one or two of their ships would carry enough for the consumption of all Europe, and that even were it otherwise, Government cannot imagine that the Company would continue to defend and maintain those Islands at a great expense, if the trade in their produce were thus to be taken from them. The Deputation, however, expresses apprehensions of a still more serious nature, and in his (Mr. Jackson's) opinion unquestionably

well founded, namely that this Eastern Archipelago, would hold out irresistible temptations, to lawless European settlement, enterprise, and adventure, before which, the Company's China Trade must sink, as the maritime resort would certainly become the very focus of dangerous and illicit intercourse with the Continent of India !

Such (Mr. Jackson said) was the substance of this most, excellent paper, as far as it respected the question immediately before the Court. He had gone more fully into it, in order to enable the Proprietors the better to judge of the letter which he should next notice, *viz.* that from Lord Buckinghamshire, dated the 27th of April, which seemed to take so new, and so totally a different view of the subject, and which was in fact a departure by Ministers from their preceding admissions and agreement, it passed over those detailed and enlightened discussions which had hitherto had so much weight, and into which himself (Mr. J.) had that day so fully entered, in order to convince the Court and through them the Public, of their unquestionable validity ; these his Lordship in the name of Government seemed at once to bound over, or discard, and to tell the Company with the brevity of Power, that induced by *recent representation*, His Majesty's Ministers had concluded, that the *imports* from India, and the Eastern Isles, should not be confined to the *Port of London*. The answer of the Directors was equally brief, but it was the brevity of despair.—Then, say they, the Company cannot proceed. It was puerile to talk of pro-

tective regulations, their commercial system must give way, and with it must fall that mighty national Establishment the English East India Company.

As they were now assembled (Mr. Jackson said) to come to some resolution suited to the awful circumstances in which they were so unexpectedly placed, and as he meant to submit to them such a one as would comprise the material points of the discussion, as well as convey to the Directors those Instructions which they so honourably called upon their Constituents to give to them, and as he was anxious, not only that the Public should see that every part of their resolution was grounded on documents of high authority, but that every Proprietor who might honour it with his support, should depart satisfied that he had yielded to no passionate appeal, but to palpable inference arising from plain exposition, he should go particularly into his Lordship's letter, and the Directors' answer to it, which was the last document in the papers before them, and which brought the Court to the fearful point on which they at that moment stood.

It appeared (Mr. Jackson said) from paper No. 48, that Lord Buckinghamshire and Sir Hugh Inglis, their Chairman, held a conversation on Sunday evening, the 19th April, which this Honourable Baronet. had very properly committed to writing; this amounted to no less than a notice "that it was the determination of His Majesty's Ministers to recommend to Parliament to permit Private Ships to clear out from *any Port* of the United Kingdom,

but that they should only be permitted to *import* into those places where the warehousing system existed." That is to *import* into various *Out-ports* of the United Kingdom. This was so entire a departure from the principles of the Acts of 1784 and 1793, which professedly regarded London as the Emporium, and the India House as the Mart and Depot for the Products of India ; so adverse to the answer of Lord Melville to the first, second, and third Propositions for the security of their exclusive Trade to China, and so directly repugnant and contradictory to the terms of the Director's Sixth Proposition, as well as his Lordship's consent thereto, namely, that " The whole of the Indian Trade should be brought to the *Port of London*, and the goods sold at the Company's Sales,"—that it was no wonder that the Honourable Baronet should, with a warmth of zeal for his Constituents, which claimed their gratitude, and did himself so much honour, have declared it " as his opinion, that the Court of Directors in the first instance, and the Court of Proprietors, when laid before them, would resist by every means in their power, a measure so fatal to the vital interests of the Company, and to the Public Revenue, as would be the measure of allowing the ships of individuals to *import* into any place but the *Port of London*, and that situated as he was, he should consider it his duty to resist, and recommend to the Court of Directors, and ultimately, to the Proprietors, to resist the Proposition." This declaration was approved by the Honourable Chairman's colleagues, upon his communicating it to them ; and he, Mr.

Jackson, had no doubt but that the Directors would find in the General Court on that day at once coincidence and firm support.

On the Saturday following; the Deputation of Directors, had an interview with the noble Earl, the Chancellor of the Exchequer, and Mr. Wallace. The important question of *importing* to the *Out-ports* was again discussed, when the Deputation had the misfortune to find "that the impressions which his Majesty's Government had received respecting it, *since the date of Lord Melville's letter, dated the 21st March*, were not in consonance with the sentiments of the Court of Directors." The Ministers declared their intention of conveying their sentiments in writing, and Lord Buckinghamshire addressed the Court accordingly on the 27th April. That letter was of course an act of Government, and must be so treated; he mentioned this, lest it might be imagined that himself, in freely canvassing its contents, departed for a moment from the great respect he bore his Lordship, who had formerly been their faithful and highly-approved servant; but the contents of this letter appeared to him most singular, and not to be accounted for by any one preceding part of the negotiation: His Lordship says, that in consequence of the conferences which had taken place with the Directors since the 3d instant, "it is unnecessary for me to enter upon the discussion of the Hints and Observations, which have been the subject of the correspondence between the late President of the Board of Control and yourselves." Mr. Jackson said, he

discovered no reason for dispensing with what appeared to him a most important duty, namely, that of giving detailed and specific answers to the Company, and to the Country, before Government should propose so serious a measure as opening the Trade of India. The Directors had propounded a series of Hints or Propositions, on the 2d of March; Lord Melville had answered them *seratim* by way of "Observations," on the 21st of March. The Directors had, on the 15th April, as he had shown, reviewed his Lordship's Observations upon their Hints, and amplified their reasoning upon the latter, and again so powerfully enforced them, that he believed there were few persons of understanding that should read them, who would hesitate to pronounce that, until Government shall have succeeded in refuting them, their recently avowed intention of opening the *Out-ports* of the United Kingdom to the *imports* from India, must be regarded as rash and ill-considered, or as a dangerous concession to clamour, and palpably pregnant with calamity to the Country. Indeed, the Noble Earl, seemed conscious that this alteration of sentiment required some explanation; he therefore observes, that Lord Melville, in his letter of the 21st March, said, that "the farther progress of the measure might require alteration in some of the *details* as well as *regulations* of a different description from those which were then suggested." *Details! Regulations!* Why the proposed change was a dereliction of first principles! The complete subversion of those of 1784 and 1793, for which so much veneration had

been professed by Lord Melville, and in utter contradiction to his answers to the first, second, third, and sixth Hints or Propositions—it was substance! it was vitality! the not confining the *Import Trade* from the *East Indies* to the *Port of London*, which his Lordship now formally announces as the determination of Government, was, with the Company, nothing less than a question of existence! Ministers, it is true, express their conviction “that the great interest of *policy* and of *revenue*, as well as of the *East India Company*,” requires “that the existing restraints respecting the commercial intercourse with China, should continue; and that the exclusive Trade in *Tea*, should be preserved to the Company;” but this, Mr. Jackson said, would be *literally impossible*, if indiscriminate access was allowed to the Eastern Islands, and *Imports* into the *Out-ports*. Their Directors had shown it to be impossible by a series of the most enlightened reasoning, founded upon their long experience, and a knowledge of facts. His Lordship allows the danger and mischief to the Country, and to the East India Company, if under cover of the East Indian Trade, an illicit commerce were to be successfully carried on, they acknowledge themselves to tremble, as well they might, for four millions of revenue, but conceiving, “that *regulations*, both in India and at home, might be so framed as to guard against that danger;” Government would submit the Propositions to Parliament as now suggested.—Regulations!—to guard against the smuggling of an article subject to ninety-six per cent. duty *ad va-*

lorem ! of comparative small bulk, easy conveyance, and aided by all the local advantages of *indiscriminate access*, and *indiscriminate import*, which were at once their encouragement and seduction ! It was too extravagant, too absurd, to talk of efficient legislative restraint, under such circumstances, it was evident that Government did not themselves expect to succeed in such regulations, but that they sunk under the clamour of the Petitioners ! they fainted in their course under the pressure of the times ! this fact was evident, from that passage in their letter which accounted for their change of sentiment, it was in consequence they said, of the representations which had been brought before his Majesty's Government, *since the publication of the correspondence already referred to* :—this publication took place about the 24th of March last, before which time, all the leading Petitions had arrived, and their best reasoning been published. Was it the Petition from the Cornish Fishing Towns which had never sent out a vessel of burthen, or those from the Provost and Council of Inland Scotch Burghs, which had never yet consumed a bale of India piece goods, or thought about the Trade till they were canvassed to petition, and help to overawe the Government ! Were these the places which had wrought this great conversion ?—They must be those or none ; for Liverpool, Glasgow, Manchester, and the other great towns had stated their cases long previous to this change of purpose. He feared (Mr. J. said) the *Representations* allude to were not entirely commercial, they were, perhaps,

not altogether unlike a representation which was said to have been made to Sir Robert Walpole, an Applicant to whom had begun and ended his address by reminding him of the extent of his Parliamentary influence! From whatever cause this determination of Government proceeded, its consequence to the Company was most serious; in fact, if they persisted in it, the Company could not go on, as appeared from the frank declaration of the Directors; and it would be much more advisable to begin now to wind up their Concern, than be obliged to do it three or four years hence, under still more unfavourable circumstances, and with still more impoverished means.

The Directors could only answer this intimation as they did, by their letter of the 29th April; that was, by repeating their solemn conviction, as men of character and honour, of the ills which must follow the resolution of Government. They justly observe, that their objections have not been answered, nor their reasoning refuted; that they are ignorant what kind of representations those are to which Lord Buckinghamshire alludes, and express some curiosity as to the *regulations* by which Ministers believe it possible to avert those national evils to which they admit the measure in question will be necessarily exposed without these magical restraints! It was observable (Mr. Jackson said) that his Lordship did not even hint at the nature of them; surely Government must have already digested them, though they had not availed themselves of the experience or assistance of the Directors or their Officers; it

never could be imagined that Ministers would propose this commercial revolution to Parliament, till the code of counteraction, without which they admitted its baleful consequence, was completed! yet certainly hitherto, this work was not even guessed at; and if Government had determined upon its nature, they had hitherto shown impenetrable reserve; but so wholly incredulous were the Directors as to the efficacy of this intended anti-smuggling system, that they protest altogether against the measure which calls for it, as one fatal to their commercial profits, which they say, “enable the Company to discharge the political functions assigned to them in the management of the Indian Empire. Without this resource, the dividend cannot be continued, the value of the Company’s Stock will be diminished, and the Company be brought to a state of dissolution.—” They show that with their decline will be thrown out of activity and employ twenty-one millions of capital, 1400 Commanders and Officers, 8000 Seamen, 12000 Tradesmen, 3000 Labourers, and 78 of the finest Ships in the world, equipped for war as well as commerce!

Mr. Jackson said, he could not yet persuade himself that Ministers would persist in this ruinous submission to known combination, and over-bearing importunity! who was there so short sighted as not to see the evils which must follow? Government talked of confining the *Indian Imports* to such Ports as are allowed the *Warehousing System*, this could not be—they knew it could not be, the imprescriptible rights of man were in their way! If this universal

inherent right to trade with every part of the British Dominions was a fundamental principle, as Government seemed now to admit, what Port so obscure on the English, Scottish, or Irish Coast, but might justly claim the same privilege? Like the principles of Magna Charta, such a claim must override the Legislature itself. If it be an inherent right, upon what ground withhold it from our Colonies? Why should not they import the products of India into their own ports, and re-export them to South America or elsewhere, to any people with whom we are allowed to trade, without visiting at all the Ports of Britain? Upon what ground deny to Halifax or Quebec, that which you allow to New York and Philadelphia?—Have the Petitioners themselves considered these things?—Did they see no danger of the Trade being lost altogether in this attempt to change the hands that carried it on? Did the Manufacturers and Workmen of Manchester and Paisley see no danger in calling for large importations of ready-made goods into the neighbouring ports of Liverpool and Glasgow? Could they afford to suspend their own looms and deal in the muslins and calicoes of India, in preference to making those fabrics themselves? Did they see no danger of the annihilation of their trade altogether, by driving out of fashion the article which so many thousands of them were employed in imitating? Rival sellers would run it down; an inferior commodity would be imported to meet the reduced price; that which now was fashionable, on account of its price and variety, would first become common, then

vulgar, then be exploded ; the imitation would cease to be in demand, when the original ceased to be in vogue, and India and British Muslins would alike lose their sale. Could Birmingham or Sheffield reasonably expect to sell a piece of hardware more, after seeing that the Export Trade is at its utmost extent ? They might have new Customers without an increased demand ; it was for them to consider whether their present regular Customers, or the new Adventurers, were most to be depended on ?

If *Tea* really were, as Lord Buckinghamshire asserted, “ a necessary of life,” who but must be convinced, that the revival of the Smuggling Trade, would again introduce, as formerly, a bad, spurious, fraudulent, and perhaps deleterious article ? Mr. Jackson said, he really believed that the Company was now standing by their resistance, between the Public at large, and the rashness or cupidity of a part of their fellow citizens, and that many of the Petitioners themselves, when they come to know the true merits of the case, which at present was scarcely known without those walls, would be candid enough to own their error !

Did the persons interested in the *Tin Trade* see no danger in pressing their pretensions beyond the bounds of generosity or justice ? If they were wholly insensible of the advantages which they had derived from the Company since 1793, had they no fears, that when the Petitioners shall have succeeded in breaking all subsisting ties, laying open the Trade, and thus leaving the Company free to purchase Tin from the best market, that China will be

supplied from Malacca, Banca, and other places in the eastern parts of India, where Tin is produced in great abundance, and upon terms with which the Gentlemen of Cornwall cannot compete! Can they be ignorant that the Company have, knowingly, and upon public grounds, encountered occasional loss in order to swell their exports? And when this honourable obligation shall cease, may not the advantages which the persons interested in the Tin Trade, now enjoy, become extinct?—Are the Manufacturers of woollen cloths sure, that even supposing the rabble of ships about to be admitted into the Eastern Seas, with their motley and ungovernable crews, should not be the means of hermetically sealing the port of Canton against the English, that they shall find Customers, who, like the Company, will consent to a loss of £50,000 a year upon this single article, in order to encourage to the utmost the Manufacturers of their Country? Did they who thought our Island and Coasting Trade so vast a nursery for seamen, and consequently so great a national blessing, did they see no difference as to the encouragement of so desirable a nursery, between allowing vessels to sail to India immediately from, and back to, their respective *Out Ports*, and their making a voyage to London, in order to collect or dispose of their Cargoes?—Do consumers in general apprehend no difference between the certain which they now possess of obtaining articles of unquestionable goodness, and at a price unquestionably fair, at the Company's public sales, and what may be their chance when cast for their sup-

ply upon the cupidity, specious pretences, and *clique* of thousands of individual Importers and Dealers?—Surely these were points that deserved great consideration before the decree should go forth, that was to open the Trade of India!

Mr. Jackson said, he took it for granted, that Government had now made up its mind, as to the *colonization* of India, and rather wished for such an event! For he could not think so disparagingly of Ministers as to suppose they would take the certain means of producing an event, of which they had not weighed the consequence. He admired their nerves, it was an event which the most courageous Statesman had hitherto shrunk from the contemplation of!

Mr. Jackson observed, he had set out with saying that the principles which the Directors had uniformly maintained during this discussion, namely, “That the Commerce and Government of India were inseparably identified, and that the former could only be efficiently conducted through the medium of a well regulated monopoly,” had the sanction of the ablest Statesmen. No subject could undergo more thorough discussion than the India Trade, and Government did, in 1783; yet Mr. Fox never suggested the opening of the Trade to the Private Merchant!—Mr. Pitt framed the Act which bore his name, immediately after, and which governed the Company till 1793 but which introduced no such measure!—Mr. Pitt took a considerable share in the Act of 1793, and although then possessed of a long experience, and of every

means of forming a proper judgment, he continued the Company as the only legal medium of trade with India! The late Lord Melville he believed yielded to no man as an Indian Statesman, he had left his sentiments on record in terms so clear and unequivocal, that he should quote them ; and as no charge of venality could attach to him for praising the dead, he should say a few words respecting that eminent person. The noble Lord had been, about thirty years ago, the Chairman of a Committee of the House of Commons, for enquiring into the affairs of the Company, and the state of the Indian Government. He possessed naturally a very strong and comprehensive mind, and at that period, dauntless industry ; he acquired in the course of this investigation, a great insight into Indian business, and the able reports presented to the House by that Committee were imputed to his Lordship's pen. This gave him great advantages over his antagonists in the discussion of Mr. Fox's bill, and afterwards placed him at the head of the Indian Department ; in that it was known that he always read with his own eyes, and wrote with his own hand, so much so, that it was used to be said, his Secretary's place was a sinecure! Some years since the questions of Private Trade, and India-built Shipping, were much agitated between the Directors, Government, and other parties, they were questions upon which some of the best friends of the Company differed ; it had been his misfortune to differ in opinion upon these subjects with a man, with whom he had agreed upon every other topic of Indian affairs, a man who,

to a mind naturally powerful, added great clearness of thought and expression, most honourable sentiments, and the sincerest attachment to the East India Company ; he meant Thomas Henchman, who, as his friend and supporter, had so often addressed that Court. He had taken up strong opinions on the subject. The Marquis Wellesley, and an Honourable friend in his eye (Mr. George Johnstone), inclined to the same way of thinking. Lord Melville, then Mr. Dundas, offered his sentiments to the Directors, observing that both parties had run into such opposite extremes, as to induce him to hope that he might be able to suggest some proper medium between them. His Lordship wrote this letter which he (Mr. J.) was about to quote in the year 1800 ; at this time he had devoted about thirty years to the consideration of the affairs of India ; he had been, as Mr. J. had before observed, Chairman of an important India Committee, of great and extensive scrutiny and enquiry, and he had then for many years, been the laborious head of the Indian Department ; no man it must be admitted could write with a higher claim to confidence in his judgment ; add to this, that at the time of writing he was in some degree of difference of opinion from the Directors, he thinks them in error as to their jealousy of Private Trade, but repeats in the most emphatic terms, his continued, firm, and decided conviction, that through the Company, and the Company only, should the Trade of India be conducted to whatever extent it might be capable of being carried. The sentiments of the Noble Lord

were too apposite to the present question, not to be given verbatim, and he would beg permission to read them.

April, 2, 1800.

“ In the first place, I set out with disclaiming being a party to those opinions which rest upon any general attack of the monopoly of the East India Company either as to the Government or Commerce of India. My sentiments, in that respect, remain exactly the same as they were when I moved the renewal of the Charter in 1793 ; and if any thing, I am still more confirmed in the principles, I brought forward at that time. That a direct interference by Government in the affairs of India, is necessary for their stability, and uniformity, I am more and more convinced ; but that the ostensible form of Government, with all its consequent extent and detail of patronage, must remain as it now is, I am persuaded will never be called in question by any but those, who may be disposed to sacrifice the freedom and security of our constitution, to their own personal aggrandizement, and ill-directed ambition.

I remain equally satisfied as to the propriety of continuing a monopoly of trade in the hands of the East India Company. Those who maintain the reverse, appear to me to be mislead by general theories, without attending to the peculiar circumstances of the Trade they are treating of. Viewing it even as a mere commercial question, I believe this proposition to be a sound one ; and if the Trade were laid open, the supposed advantages thence arising are at

best very problemetical, and would certainly be very precarious and short-lived. *It is, however, totally to forget the question, to treat it as a mere commercial one ! The same principles which prove the necessity of the present form and mode of Indian Government, evince the necessity of the monopoly of Trade. The Government and the Trade are interwoven together !* and we have only to recur to a very recent experience, to learn the immense advantages which have flowed from that connexion of Government, and Trade.

By the commercial capital of the Company at home, acting in connexion with the public revenues under their administration abroad, they have mutually aided and administered to the wants of each other ; and the result has been, the fortunate achievement of those brilliant events, upon the success of which depended the existence of the Government, the territorial wealth, and the trade of India."

Mr. Jackson said, he had now endeavoured to establish from the papers before them, that their Directors had acted with wisdom, as well as with integrity, and that the principles which they had maintained not only accorded with the judgments of those, among the Proprietors and the Public, who had addressed much of their attention to Indian affairs; but stood sanctioned by those of the ablest Statesmen that had lived. He did not pretend to say that the regulated monopoly for which he contended was not susceptible of great im-

provement ; on the contrary, he thought that qualifications of their present system might be introduced of incalculable benefit to the Company and the Country : but sure he was, that the measures now proposed would place the whole in eminent peril ! He was glad to hear that the business was not likely to be brought into Parliament this Session, it would afford time for cool deliberation ; he indulged a hope that Ministers, be whom they might, would have the fortitude to adhere to the principles of 1784 and 1793 ; he was convinced, that they would have with them the real voice of the Country. Nay, satisfied he was, that they had the dispassionate, and disinterested part of the Public with them already, he meant that part of the Public which had no interest in begging for petitions, and artfully inciting all descriptions of persons to demand commercial privileges upon grounds which the Petitioners evidently did not understand, and respecting which they were wilfully misled by intriguing Agents. The reasoning part of the Public, which always had, and would ultimately prevail, was sensible how wonderful a machine the East India Company was in the hands of the Country. They gazed with admiration on the perfection to which it had been brought ; they saw its innumerable ramifications of benefit abroad, and blessing at home ; they exulted in the character and the strength which it had given us in the opinion of our Enemies, and how much it had raised us above other Nations ; they did not deny but that it was capable of amendment ; but they trembled at the

experiment, lest disturbing it should make it worse, and check its present salutary operations; but, above all, they reprobated the idea at present afloat of taking it to pieces in order to put it together again in a different way, they justly doubted if there were among the sons of men a political artist to be found equal to so delicate and complicate an undertaking. The Directors, he repeated, had acted most laudably towards to the Company and the Country, in endeavouring to preserve this machine in its present useful form; he thought them entitled to all the countenance which the Proprietors could give them, and he was of opinion that assistance could not be better conveyed than by such a resolution as should convince them and the Public that theirs was not only a firm but enlightened support, a resolution which, embracing the leading points of the discussion, would satisfy their countrymen, that throughout the whole of their conduct, they had in truth united the character of Proprietors of East India Stock, with their paramount duty as Citizens of the British Empire! Being himself obliged to attend a professional duty before the Upper House he should leave such a motion for their wisdom to deal with, as the best offering he could make to them under such circumstances; he hoped they would regard the engagement he had alluded to as an apology for his absence during the discussion of his own motion. That Court and himself had now been long acquainted, he had never addressed them upon a subject of more importance, and he trusted they would give him

credit for the most earnest and disinterested wishes in behalf of the Company. He had, on all occasions used his utmost endeavours to promote its welfare, and not entirely without success, he having, as their records would show, been humbly conjunctive in the saving of many millions sterling to their funds, without, he might truly say (and he hoped he should be pardoned upon such an occasion for saying a word of himself), without seeking for any personal gratification, and without having directly or indirectly upon the hour that he was then speaking, received any, beyond that honest fame to which he had aspired, and that professional adoption on the part of the Public, which he could not help, in some degree attributing to the countenance and confidence with which he had been so uniformly honoured by the General Court.

Mr. Jackson then moved as follows, which motion was seconded by Henry Smith, Esq. and carried unanimously :

“That this Court has learnt with deep concern and surprise that His Majesty’s Ministers have been induced to change the view they first entertained of the propriety of confining to the port of London the returns of the trade to India now to be permitted to all British subject ; that the measure of opening the Outports to vessels of all descriptions from India, comprehending in that term the Eastern Islands, appears to this Court to be fraught with consequences ruinous to the Company, and all the long train of interests connected with it ; by removing from the port of London the greater part of the Indian trade, which it has hitherto enjoyed ; by rendering useless many of the extensive establishments formed there for the merchandise and shipping of that trade, and throwing out of bread many thousands of persons who now derive constant employment from it ; by de-

ranging the practice and frustrating the end of stated public sales, which are useful and important both to the Country and the Company, who are necessarily restricted to this practice; but, above all, by affording facilities for the smuggling of teas into the ports and harbours of England, Scotland, and Ireland, to an extent unlimited, and, as this Court apprehend, uncontrollable; that the consequences of this must be the destruction of the Company's China trade, their best source of commercial profit; the failure of their dividend, the depreciation of their stock, and unless a fund is provided from some other source for the payment of the dividend, inability on their part to continue to perform the functions assigned to them in the government of British India. That if the constitution by which the Indian empire is now administered should thus be subverted, the excellent system of civil and military service formed under the Company, and maintainable only by such a body, will be broken down, the tranquillity and happiness of the vast population which that Empire contains, the interests of this Country in Asia, and its constitution at home, will be imminently endangered.

“ That the professed object for which the proposed changes are to be made, and such immense sacrifices hazarded, namely, the increase of the Commerce of this Kingdom, cannot be in any great degree attained; there being no practicability of extending materially the use of our manufactures among the Indian people; the tonnage allotted by the Company, or afforded by Indian ships in the management of individuals, for such exports, not having been fully occupied; neither does it appear practicable largely to augment the importation of profitable commodities from thence; of all which the example of the American trade to the East is a proof; British manufactures which they could easily have procured, making no part of it, nor their returns exhibiting any new articles of importance. That therefore the trade now enjoyed by the Company and Individuals will be the only certain trade to which new Adventurers can have recourse; and this will be no addition to the commerce of the Country, but only a transfer from one set of hands to another; so that old Establishments will be subverted, without substituting any thing equally good in their place, and to all appearance with great detriment to the Nation, particularly in the defalcation of a large part

of the duties now collected on Tea to the amount of four millions sterling per annum; for all which defalcation, whether one, two, or three millions, new taxes must be laid on the people.

“ That the cause of the Company has been deeply injured by prejudice, ignorance, erroneous assumptions, and of late by extensive Combinations, and by unfair representation, canvas, and intimidation; in all which, the merits and rights of the Company, the political interests of British India, and of this Country as connected with them, have been left out of sight, and the single object of the extension of Commerce, an object only of speculation, in opposition to past experience, is the governing principle.

“ This Court, however, confidently hope that Parliament will not decide the fate of the Company, on the representations and demands of private interests, but on just and comprehensive views of national policy; and the Court must also believe that his Majesty’s Ministers are too enlightened, and equitable, finally to adopt any measure calculated to destroy the commercial profits of the Company, and thereby to disable them from performing their political functions. This Court therefore entirely approving, both of the firmness which their Directors have shown in maintaining the interests of the Company, and of the manner in which they have, in the papers now produced by them, defended those interests, doth recommend it to them to persevere in the negotiation with his Majesty’s Ministers upon the same principles; assured of the determination of this Court to support them to the utmost in maintaining the permanence of the Company and the national interest, which are involved in their stability.

OBSERVATIONS
ON THE
THIRD REPORT,
&c. &c.

Price Two Shillings and Sixpence.

OBSERVATIONS
ON THE
Third Report
OF THE
SELECT COMMITTEE
OF THE
HOUSE OF COMMONS,
ON THE AFFAIRS OF THE
EAST INDIA COMPANY.

Dated 21st of June, 1811

DEDICATED TO THE MARQUIS WELLESLEY.

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P A R T I.  
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BY THOMAS MYERS, Esq. M. P.

late ACCOUNTANT GENERAL IN BENGAL.

London :

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1812.

TO THE
MOST NOBLE
MARQUIS WELLESLEY, K. G.

Ec. Ec. Ec.

MY LORD,

HAVING had the honour of being officially and confidentially employed in concerting the arrangements and superintending the details of the Public Finances and Accounts of India, during a part of the successive Administrations of the late Marquis Cornwallis, of Sir John Shore, Bart. (now Lord Teignmouth) and of your Lordship; being intimately acquainted with the extreme and unexampled pressure of the financial embarrassments, which your Lordship, in particular, had to encounter, and more especially at the commencement of your Administration; and having enjoyed, at least, an opportunity of deriving instruction upon financial subjects, under the eminent example afforded me by your Lordship, of unremitting application, distinguished ability, and successful exertion, in devising the most effectual means of providing for the pressing exigencies of the public service, and of establishing a sound and efficient system of Finance upon just,

liberal, and enlightened views of Public Policy ; I hope I may, without arrogance, presume to lay claim to some knowledge of the subjects discussed in the following sheets.

Under this impression I have diligently and impartially endeavoured to place some of the most important topics, animadverted upon in the Third Report of the Committee of the House of Commons on the affairs of the East India Company, in a more correct and distinct point of view than is afforded of those topics, respectively, in that Report.

In this (the first part of my Publication) almost all the measures, which I have reviewed, were brought under my own personal observation and deliberate consideration, in my official capacity abroad ;—before those measures were adopted ; during their progress ; and also after their respective results and effects had been ascertained.

If in this part of my work I shall succeed, even in the smallest degree, in affording any new light, or hint which may be useful to any of the existing Authorities ; or in impressing those Authorities and the Public with a more just sense of the severe financial difficulties with which your Lordship had to contend, and of the eminently successful result of your measures in the Administration of the Finances of India, I shall consider myself abundantly rewarded for the labour which I have bestowed upon the subject.

In the second part of my Observations (to be hereafter published) I propose to revise the Comparative View taken in the Report, of the supplies to and from India; and also to review the losses which the East India Company have sustained, in consequence of the mode adopted in the adjustment of the accounts of advances, &c. for the Public Service in India, between His Majesty's Ministers and the Court of Directors.

In this part of my work, my sole object is to contribute, to the utmost of my power, my humble labours towards the elucidation of the truth, upon points which are, in my judgment, essential to a just view of the *unadmitted* claims of the East India Company upon the Public, and of the interests of my Country in its relation with the British Possessions in India.

The result, which I conceive I am warranted to anticipate, from my proposed revision of the Comparative View before described, is, that the Territorial Revenues in India will appear to be considerably more valuable, and the commercial intercourse with India, conducted by the East India Company, considerably less valuable, than those two branches of Public economy are respectively regarded, in the Third Report of the Committee of the House of Commons.

For presuming to address the following sheets to your Lordship, not only without permission, but even without any communication with your Lordship, upon the subjects which I have discussed,

I must throw myself entirely upon your Lordship's candour and indulgence.

Perhaps there may be persons who may regard some of the passages in my Observations, as better calculated to find favour in your Lordship's eyes, than to promote any object of Public Interest. I have not, however, ascribed any of the effects, which I have stated, to any other than their real and obvious causes. And I could not therefore suffer myself to be swayed, by any consideration of a personal nature, to shrink from the duty which I had to perform.

Whatever may be the defects of my character, in other respects, I have never yet had to repel any insinuation of the description to which I have alluded. And, if any of the opinions, which I have expressed in the following sheets, should be called in question, I have no doubt that I shall be able to support, upon satisfactory grounds, all that I have advanced.

I have the honour to be, with unfeigned respect,

MY LORD,

Your Lordship's much obliged,

And most faithful servant,

THOMAS MYERS.

*Tilney Street,
May 15th, 1812.*

OBSERVATIONS

ON THE

T H I R D R E P O R T

OF THE

SELECT COMMITTEE OF THE HOUSE OF COMMONS,

ON THE

AFFAIRS OF THE EAST INDIA COMPANY.

DATED 21st JUNE, 1811.

THE order proposed to be observed in the discussion of the various, intricate, and important points contained in the Third Report of the Select Committee of the House of Commons, on the affairs of the East India Company, dated 21st June, 1811, is to consider,

In Part I.

Those points which regard the origin, connexion, character, and effect of the measures adopted by the authorities at home and abroad respectively, upon the general subject of Indian Finance.

And in Part II.

Those points which affect the Comparative View, contained in the Report of the supplies from India to England, and from England to India respectively, from 1792-3 to 1808-9 inclusive; exhibiting a result of the Political being debtor to the Commercial Concern, in the sum of £1,629,701.

It will be shewn, under both these divisions of the subject matter of the Report, that it contains considerable errors and defects upon several material points. And, as in the proposed review of the important topics, which have been presented to the public, under the sanction of such High Authority, it is obviously desirable to exclude, as far as possible, every ground of imputation of a forced, or mistaken construction of any particular passage, it is proposed to quote the words of the Report upon the points to be discussed, on one side of the following sheets, and

to place on the opposite side, such Observations as shall appear to be requisite for the better elucidation of the subject.

PART I.

Those points which regard the origin, connexion, character, and effect of the measures adopted by the authorities at home and abroad respectively, upon the general subject of Indian Finance.

*Report of the Committee, dated
21st June, 1811. P. 371.*

*Observations on the Report of the Com-
mittee, dated 21st June, 1811.*

“A plan, under the name
“of Sinking Fund, was ac-
“cordingly instituted in the
“year 1798 at Bengal, and
“in the year 1799 at Madras,
“the principles of which are
“shewn in the documents
“added to the Appendix. It
“appears to have borne no
“affinity to that which passes
“under a similar appellation
“in England, and consisted
“of sums either raised by
“bills on the Court of Direc-
“tors, or derived from the
“general resources of the
“country and applied to the
“purchase of public securi-
“ties in India. The opera-
“tion of this fund began in
“the year 1798-9 at the
“former presidency, and in
“the year 1799-1800, at the
“latter; and effected a re-
“duction of the capital of
“the debt at Interest, down
“to the year 1808-9, to the
“amount of 4,038,696l.

It is to be observed, in the first place,
that the plan of the Sinking Funds esta-
blished in Bengal and at Madras, did bear
a strict affinity to the institution which
passes under a similar appellation in Eng-
land, in every material point except one,
viz. that the annual charge incurred by the
annual appropriation towards the liqui-
dation of the Indian debt was not provid-
ed for by the immediate imposition of
new taxes to an amount corresponding
with such annual charge. It is further
to be observed that, from local circum-
stances at the period of the adoption of the
measure of the Sinking Funds in India,
such a provision was a matter of more than
ordinary difficulty; and, in addition to
this consideration, it was deemed inex-
pedient to pledge the Indian Govern-
ment to the Public, farther than the
immediate necessity of the case required,
until the sense of the Court of Directors
should be obtained upon the subject.
But it was well known to the Authorities
in India that the plan was defective in
the important point above stated. And
this defect was officially communicated,
by the author of the plan, to the Court

of Directors, in a letter, dated January 1st, 1801, and expressed in the following terms :

“ I hope I shall not be considered as
 “ trespassing upon the attention of
 “ your Honourable Court in begging
 “ leave to state, in this place, that there
 “ is still one thing wanting to complete
 “ the plan in question,” (the plan of the
 Sinking Fund) “ which I apprehend it
 “ will be necessary soon to have recourse
 “ to ; and that is, to lay it down as a
 “ rule in future, that, upon every in-
 “ crease of the public debt abroad, new
 “ taxes shall be imposed in India, ade-
 “ quate to provide for the annual charge
 “ incident to such increase of Debt ;
 “ conformably to the established practice
 “ upon every increase of the funded
 “ debts of Great Britain.”

Notwithstanding, however, that the adoption, progress and effect of the plan of the Sinking Funds were regularly communicated, from time to time, by the proper Authorities in India to the Court of Directors, and notwithstanding also, that the defect in the existing plan, and the remedy to be applied for the removal of such defect, were distinctly stated to the Court in the terms above quoted ; yet it would appear that the Court thought fit to abstain altogether from expressing, either their sanction, or disapprobation of the measure, in their correspondence with the Authorities

*Report of the Committee, dated
21st June, 1811. P. 371.*

*Observations on the Report of the Com-
mittee, dated 21st June, 1811.*

“ Reverting to the Sink-
“ ing Fund instituted in the
“ year 1798, and to its op-
“ eration as lately shewn, it
“ is thought proper to in-
“ form the House, that this
“ plan for the liquidation of
“ the Debt has been discon-
“ tinued, and the accounts
“ relating to it ordered to be
“ closed on the General
“ Books of the Bengal Presi-
“ dency. The operation of
“ the Fund on the Debt of
“ the Madras Presidency
“ appears, by the general ac-
“ count of the Debts, to have
“ ceased from the year
“ 1806-7. From this cir-
“ cumstance, and from the
“ preceding observations, it
“ is to be deduced that no
“ regular plan for the liqui-
“ dation of the Indian Debt,
“ exists at the present time;
“ but that whatever reduc-
“ tion may be effected in its
“ amount, must arise from
“ the application of the super-
“ abundant Funds which, more

abroad; leaving the questions connected with the subject in a state of suspense for a period of ten or eleven years, and then directing this plan for the liquidation of the debt to be discontinued.

It is not necessary in this place to enter into a detailed justification of the measure of the Sinking Funds; since it has been uniformly acknowledged by all the official authorities, and indeed by all persons who were competent to judge of its effects abroad, to have contributed, in a very important degree, towards the improvement of public credit at a period of unexampled pressure upon the public resources. But as the measure appears to be regarded in the cursory manner in which it is treated in the report, as one which was ill-concerted and even misnamed; and as it is further added “ that this plan “ for the liquidation of the debt has “ been discontinued;” that no regular “ plan for the liquidation of the Indian “ Debt exists at the present time,” and that “ the farther liquidation of the “ principal of the debt, should not be “ lost sight of;” the almost unavoidable inference from these observations is, that, notwithstanding the importance justly attached by the Committee to the farther liquidation of the Debt, it was, in their view of the subject, more eligible even to be without any plan at all, for that purpose, than to suffer the plan,

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“ from adventitious causes
“ than from an excess of in-
“ come, have accumulated in
“ the Indian Treasuries ; or
“ from transfers made to
“ Europe upon the principles
“ which will presently be
“ brought to the notice of
“ the House. But these
“ means of reduction must
“ obviously appear to be
“ merely temporary ; and
“ although it cannot be de-
“ nied that the effect as im-
“ mediately applicable to our
“ situation, in India, is salu-
“ tary from lessening the
“ demand for interest, the
“ farther liquidation of the
“ Principal of the Debt
“ should not be lost sight of.”

adopted in 1798 and 1799, to be continu-
ed any longer in operation.

Under this impression of the whole
scope of the observations above quot-
ed, it becomes expedient to examine
how far the institution of the Sinking
Funds has been justly regarded and
characterised in the report :

It is stated in the original plan of
this institution, dated the 10th of Janu-
ary, 1798, that the estimated amount of
the whole of the Public Debt in India,
(including the Debts of Bengal, Madras,
Bombay, and Bencoolen) was sicca
rupees 6,50,00,000, or about pounds
sterling. 8,125,000.

It appears from the Report
now under consideration,
that “ the operation of
“ this Fund began in the
“ year 1798-9, in Bengal,
“ and in the year 1799-
“ 1800, at Madras, and
“ effected a reduction of
“ the Capital of the Debt
“ at Interest, down to the
“ year 1808 - 9, to the
“ amount of pounds sterl. 4,038,696:”
being in the proportion of nearly one
half of the sum total of the Public
Debt which existed in India at the
time when this measure was suggested.

It is apprehended that the reduction
of so large a proportion of the Public
Debt, during so short a period of time,

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(being seven years at Madras and ten years in Bengal) cannot be justly regarded as a measure of light importance. It is to be observed, however, that the main object of the measure, as described in the original plan, was to effect a steady, uniform, rise in the value of the Public Securities, and thereby to enable the Government to raise the requisite supplies of money for the Public Service, with more facility, and upon more advantageous terms.

In proof of these expected results having been realized, it is only necessary to refer to the periodical state of Public Credit, as reported, from time to time, by the proper Authorities abroad.

It is certain that the amount of the advantage derived by the East India Company, from the progressive improvement of Public Credit, cannot be ascertained with precision. But in order to afford as correct a view of that advantage, as the nature of the case will admit, recourse may be had to an estimate of its probable amount, calculated, upon grounds to be assumed for the purpose, in the following manner :

It appears that, subsequently to the adoption of the plan of the Sinking Funds, the capital amount raised by Loans in India was at least £25,000,000. It can scarcely be doubted by any person whose local knowledge enables him to

be a competent judge of the subject, that the sum above stated was raised upon more advantageous terms than could have been effected, if the plan of the Sinking Funds had not been previously adopted, in the proportion of 4 per cent. upon an average. And, upon this calculation, the result is, that the advantage derived by the East India Company, in this view of the operation of the Sinking Funds, may be estimated at pounds sterling. 1,000,000

There is also another view in which the measure under discussion demands consideration, viz. with regard to the advantage which has accrued to the East India Company from the change of system, introduced by the measure in question, in the discharge, or redemption of the public debt. It was the former practice to discharge the Principal, according to a certain order of priority at

Carry forward

1,000,000

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Brought forward 1,000,000.

par, while under the operation of the Sinking-Funds, the redemption of the public securities was effected at their *actual value* in the market at the period of redemption. The advantage thus acquired by the East India Company must have been considerable; and it is apprehended, that its actual amount may be ascertained with perfect accuracy, by a reference to the public accounts from Bengal and Madras, at the East India House.

For the present purpose, however, it will be sufficient to estimate the probable amount of this advantage, as follows :

It is stated in the original plan of the Sinking Funds, dated the 10th of January, 1798 ; that, of the Public Debts of Bengal then existing, nearly one-eighth part consisted of 12 per cents. which were below *par* : above six-eighths of 8

Carry forward 1,000,000.

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per cents. which were 14
per cent. below par: and
nearly one-eighth of 6 per
cents. which were 20 per
cent. below par.

It appears from the Re-
port now under considera-
tion, that the whole amount
of the debt redeemed un-
der the operation of the
Sinking Funds, was (as has
been before stated)

4,038,696*l.*

It can scarcely be consider-
ed too much to assume
(and any error upon this
occasion may be easily
detected) that the re-
demption of the sum a-
bove stated, was effected
upon more advantageous
terms for the East India
Company than could have
been attained under the
previous system of a re-
demption at par, in the
proportion of 6 per cent.
upon an average. And,
upon this calculation the
result is, that the advan-
tage derived by the East

Carry forward 1,000,000.

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Brought forward 1,000,000.

India Company, by the measure of the Sinking Funds, in this view, may be estimated at the sum of(A.) 242,300.

Upon these calculations the total result is, that the advantages derived by the East India Company, in these two views of the operation of the Sinking

Carry forward 1,242,300.

(A.) An Honorable Gentleman who has long been a Director of the East India Company, and who is also a member of the Committee, whose Report is now under consideration, is reported to have stated, in his place in the House of Commons, in the debate upon the India budget, (vide Parliamentary debates, 15th July, 1806,) "that an equal reduction" (of the Indian debt) "might have been effected by the same sum in directly paying off debts without any establishment of a Sinking Fund." It is evident, however, from the view above taken of the effect of that measure in redeeming the Public Securities at their actual value in the market at the respective periods of redemption, contrasted with the mode before practised of "paying off debts" at par, as referred to by him, that his view of the subject was completely erroneous; inasmuch as the advantage derived from the Institution of the Sinking Funds, appears to have amounted in this view alone, to about 242,300*l.* Sterling.

N. B. Since the above calculation was made, information has been received, that the actual advantage thus derived from the Sinking Fund in Bengal alone, amounted to upwards of 180,000*l.* It may be presumed, therefore, that the above calculation of the whole advantage derived at the two Presidencies of Bengal and Madras, will be found nearly correct.

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mittee, dated 21st June, 1811.*

Brought forward 1,242,300.

Funds, may be consider-
ed as amounting together
to about, pounds sterling 1,242,300.

This however is not all the advantage derived by the East India Company from the adoption of this measure. For there is great reason to apprehend, that, if it had not been for the institution of the Sinking Fund in Bengal (aided, in a considerable degree, by other important improvements in the administration of the Finances of India) the large pecuniary supplies which were urgently required for the exigencies of the Public Service, could not have been raised, *upon any terms*, to meet those exigencies in point of time. The peculiar importance of this consideration at the period in question, can only be duly appreciated upon a just view of the then critical and arduous state of Public affairs. At that period, the British Government in India was engaged in a just and necessary war, upon a scale of unexampled magnitude and extent, and under circumstances of severe aggravation of the pecuniary difficulties, naturally to be expected at such a juncture; since the existing Public Revenue was inadequate to provide for the ordinary Public Expenditure; the Public Treasuries were frequently in a state of actual insolvency; recourse had been had

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to Public Loans, until Public Credit was almost entirely exhausted ; and pecuniary supplies from England were not to be expected, either in time, or to an amount adequate to afford any material aid towards the prosecution of the extensive military operations, which were required for the maintenance of the national character, and the security of our interests in that quarter of the world. Notwithstanding, however, this severe pressure of the embarrassments of the Government, such were the policy, ability, and vigour with which all the necessary operations for the occasion were concerted and executed, that all the great objects of the war were completely attained within the short space of four months. This brilliant and unparalleled success of the British arms, is to be ascribed, in a considerable degree, to the salutary operation of the Sinking Fund in Bengal, towards the improvement of Public Credit. Pecuniary resources fully proportioned to the exigency were provided. An army amply equipped for the field, upon a scale superior to the force which it had to oppose, was enabled to march to the capital of the enemy, without being retarded, for a moment, by the want of the requisite supplies. And a memorable instance was thus afforded of this important truth, that, although the temporary

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pressure, occasioned by the requisite exertions, may be severe ; yet, that to extend the operations of war upon a scale adequate to ensure the accomplishment of the objects in contest, in the shortest possible space of time, is ultimately the most Provident Policy ; whether it be regarded with a view to national character ; to the consideration of the number of lives which must be lost in the contest ; or merely with respect to economy in point of pecuniary expenditure.

With regard to the orders for the abolition of the Sinking Funds, it may be expedient to offer a few short observations. In the present prosperous state of the financial affairs of India, it is not likely that any very ill effects should be experienced immediately, in consequence of the discontinuance of those plans for the liquidation of the debt. Nor is it likely that, if those plans had been continued, any material advantage could have been derived, at the present moment, by the purchase of the Public Securities at a rate below par. But still the mere notoriety of such increased and growing funds being in the possession, and at the disposal of the Commissioners for the management of the Sinking Funds, could not have failed to produce a salutary effect in upholding the value of the Public Securities. It

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is also to be observed, that it is not only possible, but extremely probable, that a time may again come, when circumstances may render it expedient to have recourse to some similar institution for the support of Public Credit; and that the suppression of the established institutions in the present instance, merely because they were no longer absolutely requisite, must lessen the public confidence in the permanency of any future institution of a similar nature, which it may be expedient to establish.

It may be further observed, that there could not be any necessity for the abolition of those institutions; since provision was made, at the time of their adoption, for the case which has actually occurred, and which is the apparent ground of their abolition; viz. a difficulty in applying the Funds vested in the Commissioners to the purchase of Government Securities in the market. This provision was contained in the sixth regulation for the management of the Fund, and expressed in the following terms: "The Commissioners shall
" be at liberty to subscribe any part of
" the monies to be placed to their ac-
" count towards any public loan which
" is now open, or may be hereafter
" opened, in case they should not be
" able to apply the whole of the funds
" in their possession to the purchase of
" Government Securities; and it should

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“ appear to them to be beneficial to
“ the interests of the fund to subscribe
“ to such loan.”

Under all the circumstances before stated it clearly appears, that the prosecution of the established plan for the liquidation of the Indian Debt was unquestionably practicable; as well as highly expedient, whether it be regarded with a view to the present or future advantage of the British interests in India.

“ The anxiety with which the increase of the Debt in India has been contemplated by the Authorities at home, is strongly evinced by a letter addressed to the Chairman, Deputy Chairman, and Court of Directors, by a late President of the Board of Commissioners for the Affairs of India, when quitting that Department in 1801, which is already upon the table of the House. The suggestions contained in it were not neglected by his successor; and in the next year exertions were made to carry into effect a part of what was recommended in that document. The general principle of the measures (which were ap-

Without meaning to detract, in the smallest degree, from the merits of the two high Authorities referred to in this part of the Report, it may be observed, that the anxiety with which the increase of the Debt in India was contemplated by a High Authority abroad, is strongly evinced by a Minute of the Governor General, recorded on the Proceedings of the Government of Bengal, under date the 12th of June, 1798. In this document it may be affirmed, without hazard of contradiction, that the actual state of the existing pecuniary relations between India and England is most accurately detailed and defined. It is, therefore, expedient to take a short view of some of the topics discussed in that document, and intimately connected with the subject under consideration. It is there distinctly stated, that “ the
“ annual demand for the purpose of In-
“ vestment, upon a scale so far exceed-
“ ing the annual means of the three

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“parently confined to the
“space of two years) was to
“accomplish a more rapid
“liquidation of the princi-
“pal of the Indian Debt,
“than could be effected by
“the existing arrangements.
“The proposed plan being
“brought to maturity, a
“communication of it was
“made to the Bengal Go-
“vernment, by a letter, dated
“the 1st of June, 1803,
“with orders for carrying it
“into execution. This do-
“cument will likewise be
“found in the Appendix;
“and the amount of the ex-
“ports of goods and of bul-
“lion, in the years 1803-4
“and 5, will prove that every
“effort was made to ensure
“the success of the mea-
“sure. The accumulation of
“the Indian debt, however,
“which appears in subse-
“quent years, shews its en-
“tire failure. The cause of
“this your Committee attri-
“bute to the war with the
“Mahratta Chieftains, which
“broke out in the very year
“in which the plan com-
“menced, and did not finally
“close till April, 1805.”

“Presidencies, is the principal cause
“of the present deficiency; and that
“the embarrassments of our finances
“*must be progressive*, if some means be
“not devised for aiding the resources of
“this Presidency.” It is then recom-
“mended to the Court of Directors “to
“take the earliest occasion of sending
“out supplies to India to the amount of
“eighty - five lacs of rupees, or
“1,062,500*l.* in addition to their usual
“consignments, by an increase of their
“annual exports of British manufac-
“tures and produce to Bengal and Bom-
“bay,” (amounting to thirty-five lacs of
rupees,) “and by an annual supply of
“silver bullion to Bengal to the amount
“of fifty lacs, or 625,000*l.*” It is also
further stated, that “if the sale of Bri-
“tish Manufactures in Bengal, and at
“Bombay, should equal the general
“expectation, an additional supply of
“near a crore of rupees (1,250,000*l.*)
“would accrue to this Presidency from
“the combined result of the two pro-
“posed measures.” And it is added,
that “this supply would be nearly equal
“to the probable amount of the *perma-
“nent deficiency* of our resources.”

The immediate adoption of these
suggestions of the Governor General
would have prevented, in a great de-
gree, the inordinate accumulation of
the principal of the Indian Debt, and
consequently of the annual charge upon

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the public resources for the interest of that debt.

It appears, however, that the requisite supplies were not furnished from England, and that the Supreme Government was left, in a great measure, to struggle, as well as it could, with its growing financial embarrassments, for four years longer; viz. until 1802-3, in which year the total exports to India, in bullion and goods, appear to have amounted to 2,181,970*l.* sterling.

With respect to the measures suggested by the late President of the Board of Commissioners for the Affairs of India, (Mr. Dundas) for the relief of the financial embarrassments abroad, it is to be observed, that he appears to have founded his plan upon the suggestions contained in the minute of the Governor General, of the 12th of June, 1798, as far as regards the proposed supplies from England to India in bullion and goods. It is also to be observed, that when his plan was matured by the Court of Directors, it was continued in operation for *two years only*; viz. for 1803-4 and 1804-5; although it was intended by him to be regularly persevered in from 1801-2 to 1808-9 inclusive; comprehending a period of eight years. (Vide Appendix, No. 2, to Mr. Dundas's letter, dated the 30th of June, 1801.)

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With regard to the other important feature in the plan of the late President, consisting of a calculation of there being a surplus revenue in India, applicable to the objects of the plan, to the amount of 800,000*l.* (vide Appendix, No. 4, to Mr. Dundas's letter, dated 30th of June, 1801,) and which supposed surplus was afterwards enlarged by the Court of Directors, in their calculation, to the amount of 1,000,000*l.* (vide Appendix to the Report, No. 38,) it may be sufficient to observe upon the present occasion, that it appears from the result, that those calculations could not have been realized, even under the circumstance contemplated by those two Authorities ; viz. a state of peace with the Native Powers in India.

The plan of the late President is dated the 30th of June, 1801. It is stated in the Report now under consideration, that, " this plan being brought " to maturity, a communication of it " was made to the Bengal Government, " by a letter, dated the 1st of June, " 1803, with orders for carrying it into " execution." It appears, therefore, that, between the date of the Governor General's suggestions, and the period at which the plan of the late President was brought to maturity by the Court of Directors, an interval had elapsed of nearly five years ; comprehending a

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space of time eminently arduous and critical to the British interests in India, and attended with unexampled pressure on the public finances.

Towards the conclusion of the observations upon this point in the Report, it is stated, that "the cause of this" (the entire failure of the plan) "your Committee attribute to the war with the Mahratta Chieftains, which broke out in the very year in which the plan commenced, and did not finally close till April, 1805."

This opinion being stated in these unqualified terms, it becomes expedient to take a short view of the financial transactions, connected with the plan, for the period referred to in the Report; viz. the years 1803-4 and 1804-5.

The Court of Directors, in their letter to the Governor General in Council, dated 1st of June, 1803, (vide Appendix to the Report, No. 38,) "authorise that Government, for the two next years, to draw bills on the Court for such farther sums as may be required to liquidate 2,000,000*l.* of debt within the year, provided the amount of bills drawn for that purpose, including those drawn for the investment, if such should be necessary, shall in no case exceed the difference between the amount of the value sent out in bullion and exports, and the sum of five millions."

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This proposed annual supply
for 1803-4 and 1804-5
respectively, being two
years, amounts to..... £10,000,000

It appears from the account,
No. 5, in the Appendix
to the Report, that the
total amount of the sup-
plies to India and China,
in bullion and goods, was,
in 1803-4 . . . 3,043,807
And in 1804-5 3,957,822

Being together 7,001,629

It appears from the account
No. 6, in the Appendix
to the Report, that the to-
tal amount of Bills of Ex-
change and Certificates,
including both such as
were drawn for the liqui-
dation of the Indian Debt,
and such as were for ge-
neral purposes, paid by
the East India Company,
was in 1803-4, 959,383,
and in 1804-5, 1,021,144

2

Being together 1,980,527

Adding then to the amount
of the supplies in Bul-
lion and goods the amount

Carry forward..... 7001,629 10,000,000

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Brought forward.....7,001,629 10,000,000

of bills and certificates

above stated, viz. 1,980,527

The total amount of supplies

from England to India,

in 1803-4 and 1804-5, is 8,982,156

And deducting this amount,

viz 8,982,156

from the amount which

should have been fur-

nished, according to the

Court's letter to Bengal,

of 1st of June, 1803,

the deficit in the proposed

supplies to India and

China, as held out in the

Court's letter above

quoted, amounts, in 1803-4

and 1804-5, to the sum of

pounds sterling..... 1,017,844

To this deficit in the pro-

posed supplies from home

should be added, the sums

advanced in India, for the

service of his Majesty's

Government ; since those

sums became conse-

quently inapplicable to

the objects of the Plan

contained in the Court's

letter of 1st June, 1803.

These advances are stated

in Account No. 17, in

Carry forward..... 1,017,844

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Brought forward..... 1,017,844

the Appendix to have
been as follows : “ *Ves-*
“ *sels, &c. and Stores*
“ *for King’s Ships in*
“ 1803-4.....21,172
“ in 1804-5.... 30,381

Being together £51,853

“ *Ceylon charges admitted*
“ *in full in 1803-4, 68,827*
“ *in 1804-5..... 55,834*

Being together £124,661

“ *Eastern Islands.*”

It appears from account
No. 4, in the Appendix to
the First Report, printed
25th May, 1808, that the
sum advanced in India, on
this account was,

in 1803-4..... 215,184
in 1804-5..... 37,964

Being together... 253,148

“ *Expense in India of Prisoners* “
“ *captured at Sea.*

In this case there is not
any specification in the ac-
count No. 17, in the Appen-
dix, of the period during

Carry over..... 429,662

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Brought forward..... 429,662 1,017,844

which this charge was incurred.

The total charge, however, under this head, is 300,000*l.* and taking this expense to have been incurred in 17 years, and apportioning the charge equally to each year of that period, the annual charge will be, 17,647*l.*

And consequently the charge for 1803-4 and 1804-5, being two years, will amount to..... 35,294

The principal amount of the several items of advances, &c. above-enumerated, is 464,956

Add, interest on the sum above stated at the rate of 9 cent. per annum, being about the rate actually charged on this account, to Government, in No. 4 of the Appendix to the First Report; for one year only, viz..... 41,846

Subject then to the correction of such inaccuracy as may be found in the above estimate of "the

~~the~~
Carry over..... 506,802 1,017,844

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Brought forward.....	506,802	1,017,844
“ expense in India of “ Prisoners captured at “ sea,” the total amount of the several items of ad- vances, &c. in India which were not comprehended in the objects of the plan under consideration, is.....	506,802	
And adding this amount to the deficit in the proposed supplies from home before stated, the <i>total</i> <i>deficit</i> (exclusive of the consideration of the sur- plus revenue having been <i>much over-rated</i>) amounts to the sum of.....	<hr/>	506,802
		<hr/>
		1,524,646 :

Being rather more than
three-eighths of the propor-
tion of Debt proposed to
be paid off in 1803-4 and
1804-5, viz. 2,000,000*l.* in
each year, or 4,000,000*l.*

The view taken of this subject in the
Report, having been confined to the
years 1803-4 and 1804-5, it is deemed
expedient to limit these observations to
the same period of time ; although the
further the view of the subject be ex-
tended, the more the Deficit in the
amount proposed to be supplied from
home towards the liquidation of the
Debt abroad, will be augmented. But

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even upon the limited view of the subject above taken, it cannot fail to be evident, that to attribute the entire failure of the plan for the liquidation of the Indian Debt to the war with the Mahratta Chieftains *is not correct*; since there must have been a failure in the plan, *to a very large amount*, even if the war with the Mahratta Chieftains had not existed.

Before this part of the subject be dismissed, it may not be improper to notice a passage in the letter from the Court of Directors to the Governor General in Council, dated 1st June, 1803, contained in the appendix to the Report No. 38, and expressed in the following terms: “ We think it necessary to repeat and specially to direct, that the provision of our investment to the extent mentioned in the former part of this letter, that is to say 4,000,000*l.* (four millions of pounds sterling,) is to take place of every other application of our Funds, whether they arise from surplus revenue, the sale of exports sent from hence, from Bullion, or from Bills on the Court of Directors.”

“ Upon these peremptory orders, it is to be observed, that they were not merely such as it might have been highly inexpedient, and indeed absolutely impracticable to execute, without a violation of the existing engagements with the Public

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Creditors in respect to the Sinking Funds, and of other most important duties of the Government abroad in various points of view; but also, that these orders could not have been carried into effect within the year (1803-4) in which their operation was calculated upon, without a violation of the law: the application of any resource, derivable from the revenues, *exclusively to commercial purposes*, (previously to an actual surplus-revenue having been ascertained) being manifestly illegal; since it is specially provided in the act passed by the legislature, upon the renewal of the Charter of the East India Company, in 1793, that the Revenues of India should be appropriated according to the following order of preference:

- 1st, Military and Marine charges.
- 2dly, Interest on the Public Debt.
- 3dly, Civil and Commercial Establishments.
- 4thly, Provision of the investment in India and China.

With deference to the High Authorities who appear to have entertained a different opinion, it is conceived that the construction above given is the only just construction which can be put upon the provisions of the act above quoted. In a subsequent part of that act, provision is certainly made for the application to commercial purposes of the surplus revenue. But these words

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must be understood to signify *not an estimated* surplus revenue, but an *actual* surplus revenue *only*. If it were otherwise it would be in the power of a sanguine calculator to abrogate, at pleasure, the just and salutary provisions of the legislature in this behalf, at any time, and under any circumstances ; a power which it is apprehended that neither the spirit, nor the letter, of the law in question will warrant.

Admitting, however, for the sake of argument, that the surplus revenue may be legally applied, within the year in which it shall accrue, exclusively to commercial purposes, still it would be impossible, so to appropriate such surplus, with the strict accuracy required in the orders before quoted. In Bengal, the actual amount of the surplus revenue, of any year, cannot possibly be ascertained until some months after such year shall have elapsed. If, therefore, the facts had been, that there was an actual surplus revenue accruing in Bengal in the year in question, and that such surplus had not been strictly applied to commercial purposes as required in the orders from home, it may be asked to whom could any blame for such failure have been justly attached ?—certainly not to the government abroad, or to any of its officers ; since so to attach blame to them would be, in fact, to blame for not doing that which was absolutely impossible to be done.

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"Your Committee having
" thus given a short sketch
" of the general measures
" adopted from time to time,
" for the reduction of the
" Indian debt, will draw this
" part of their Report to a
" conclusion, by a few ob-
" servations respecting the
" debt itself; a further ex-
" planation which is the more
" necessary from the altera-
" tion in the terms of bor-
" rowing in India, being the
" admitted cause of those
" embarrassments of the
" treasury in England which
" have been, upon another
" occasion, brought to the
" view of the House. Your
" Committee will not go in-
" to detail upon this subject,
" but be satisfied with ad-
" verting, generally, to what
" preceded the year, 1798.
" Previous to that time,
" whatever was the rate at
" which money was raised
" by Loan in India, the
" transaction was almost en-
" tirely local, and no power
" of demand in England,
" either for principal or in-
" terest was allowed to the

With regard to the alteration in the terms of the Indian Loans here referred to in the Report, it might be sufficient to observe, that when such alteration was made, it was not practicable to raise pecuniary supplies in any degree proportioned to the extent of the Public exigencies, in the ordinary manner in which such supplies had been obtained in former times. It may, however, be added that, if it had been practicable to pursue that mode, with any prospect of success, it was, under the existing circumstances, much more advantageous for the real interests of the East India Company, to raise such supplies upon the plans of the Loans which were adopted about the year 1798.

It should be recollected that, notwithstanding every practicable effort was made to support the value of the Public Securities abroad, the eight per cents. had actually fallen in value, at that period to 14 per cent. below par. It was evident therefore that any further issues of the same description of Public Securities could not fail to produce a still further depreciation of such Securities; and consequently that if recourse had been had to that measure, it would have afforded but a precarious and scanty supply to the Public Treasuries, even at a constantly increasing rate of expense, proportioned to the

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“ lender, (except as far as
“ related to the principal,
“ under the remittance plan)
“ consequently, whatever
“ pressure arose, fell in the
“ first instance upon the In-
“ dian treasuries. The spe-
“ cies of loans, termed op-
“ tional, (from vesting in
“ the lender a right to de-
“ mand Bills upon England,
“ for the interest half-yearly,
“ and for the principal when
“ due, according to the te-
“ nor of the obligation,)
“ commenced in 1798, with
“ the Decennial Loans, at
“ 10 and 8 per cent. per an-
“ num; which amounted to
“ 3,820,000*l*. The Loans
“ on the register, since the
“ year 1800, were uniformly
“ raised with this option, till
“ the arrival of the orders of
“ the Court of Directors,
“ dated 9th December, 1807,
“ in which they pointed out
“ in strong terms, the incon-
“ venience arising from this
“ practice, and directed that
“ the system of borrowing,
“ with the allowance of an
“ option, should be disconti-
“ nued. The Receipt of these

progressive depreciation of those Secu-
rities. The probability certainly was,
under such circumstances, that such
depreciation would, in a very short time,
have far exceeded the extent which it did
actually attain in the former Mysore war
in 1791-2; which was then sometimes
from 20 to 23 per cent. Calculating the de-
preciation, however, at only 20 per cent.
the comparative rate of expense in rais-
ing supplies by the issue of 8 per cents.
and under the plan of the Decennial
Loan, may be stated as follows:

For 100 Rupees, capital in 8 per
cents. 80 Rupees would have been ob-
tained in cash. The annual interest
upon this sum would have been 8 Ru-
pees, being at the rate of 10 per cent.
per annum, until the capital should be
discharged. The annual charge for in-
terest, therefore, upon the *Cash-Receipts*,
from the issue of 8 per cents. would
have been precisely the same as the
annual charge for interest upon the
Cash-Receipts obtained under the plan
of the Decennial Loan; viz. 10 per cent.
per annum. But there was this addi-
tional and important advantage in raising
supplies upon the plan of the Decennial
Loan. No fictitious capital was created,
and when the principal of that Loan
was to be discharged, no more was
payable in cash, on account of that
principal, than had been actually re-

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“orders was acknowledged
“by the Bengal Govern-
“ment, on the 14th of May,
“1806; and by subsequent
“advices it appears, that the
“system has not only been
“discontinued, in so far as
“regards the principal, but
“that nearly the whole of
“the Obligations coming
“under the description of
“optional loans at the se-
“veral Presidencies, have
“either been liquidated in In-
“dia by cash-payments, and
“transfer to other loans, or
“have been transferred by
“Bills to England, under
“the option originally grant-
“ed to the lender. The ef-
“fect of the transfer to En-
“gland has already borne,
“and will still further bear
“with such weight upon the
“Treasury in England, as
“to create the necessity of
“extraordinary measures, to
“enable it to meet the de-
“mand, which may not
“perhaps be termed impro-
“perly an unnatural one
“upon the Funds of the
“Company at home.”

ceived into the Public Treasuries in
Cash. Whereas, when the eight per
cents. were to be discharged, for
every 80 Rupees received into the Pub-
lic Treasuries in Cash, a Principal Sum
would have been payable of 100 Rupees
in Cash; 20 per cent. thereof being Fic-
titious Capital. In this view, therefore,
the plan of the Decennial Loan was
more advantageous to the East India
Company than a continuance of the
former mode of raising supplies by the
issue of 8 per cents. could have been,
by 20 per cent. upon the whole capital
so raised; while the additional accom-
modation and security afforded to the
subscribers to the Decennial Loan, by
allowing the interest of that Loan to be
remitted by the public officers abroad, (if
so desired) by bills on the Court of Di-
rectors, at a fixed rate of exchange, and
for a certain term of years; and the
principal also, in like manner, and at
the same rate of exchange, upon the
expiration of the term of the Loan,
were in fact considerably less than the
advantages which the subscribers were
fully entitled to expect, considering the
opportunities which existed at that time,
and for many years afterwards, of ef-
fecting a remittance upon still more ad-
vantageous terms, even through the me-
dium of bills upon the Court of Direc-
tors; and particularly by the subscrip-
tion of the six per cents. to the remit-

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tance for the transfer of the debt. The rate of exchange of that remittance was 1s. 11d. per current Rupee. The discount upon the six per cents. was 20 per cent.; and, at this rate of discount, they afforded a remittance at the exchange of 2s. 9½d. per Sicca Rupee; while the rate of exchange at which the Decennial Loan was remittible was only 2s. 6d. per Sicca Rupee; being less than the rate to be obtained by the transfer remittance by ten and an half per cent.

The amount raised by the Decennial Loans is stated in the Report to have been 3,820,000*l.* The superior advantage of these Loans, compared with the plan (apparently preferred by the Committee,) of having recourse to the further issue of 8 per cents. has been shewn, upon the calculation above stated, to have been full 20 per cent. upon the capital so raised. And the result therefore is, that, exclusive of the high importance, in a political point of view, of securing the necessary supplies in the order of time in which they were required, the pecuniary advantage alone derived by the East India Company from the adoption of the Decennial Loans, in preference to the other alternative of having recourse to the issue of 8 per cents. amounts to more than 740,000*l.* sterling.

Such was the effect of the first altera-

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tion in the terms of the Indian loans referred to in the Report. And when the rate of interest was generally lowered to 8 per cent. (B.) after the reduction of the power of the late Tippoo Sultaun, in 1799, the advantage arising from the alteration in the general system of the loans became, of course, augmented in proportion to the reduction effected in the rate of interest.

The unprecedented amount of the pecuniary supplies, which were raised in India by the Decennial Loans, in the short space of about twelve months, and which supplies enabled the Government to provide effectually for the exigencies of the extensive and complicated warfare in which it was unavoidably involved, to relieve itself from the pressure of its previously existing embarrassments, and to continue, without any very material interruption or diminution, the usual advances for the investment for England, affords a remarkable instance of the salutary operation of the institution of the Sinking Funds. It has been clearly proved, that the terms offered to the subscribers to the Decennial Loans were not only not

(B.) During a part of the years 1796, 1797, and 1798, many attempts were made to raise money upon Loans at 12 per cent.; but even at that rate of interest (the highest allowed by law in India) supplies could not be obtained to an amount at all adequate to the relief of the public embarrassments.

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immoderate, in any respect, but that they were, on the contrary, highly advantageous to the East India Company. Neither fear nor favour, present or prospective, could have had any influence upon the occasion. It is, therefore, to the cause above stated, combined with the thorough confidence which pervaded all classes of the community in the justice, energy, and talents, which then peculiarly distinguished the character of the Public Councils in India, that the unprecedented success of the measure in question is to be attributed.

With regard to the optional loans at 8 per cent. which were afterwards adopted in India, it may be observed that the nature of that option was regularly communicated to the Court of Directors. It was known also to the Court, that the adoption of those loans, with such option, was forced upon the Government abroad from necessity, occasioned by the extreme pressure on the Public Finances. The Court appears also to have been fully sensible of this necessity, and, under that impression, to have given, at least, a tacit concurrence in the principle of those loans, for a period of about nine successive years. And, as a right to demand payment of those loans in England was known to the Court to exist, under the option originally granted to the Lender, it may well be questioned whether the

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exercise of such right, which has lately taken place, can be properly deemed (as it has been termed in the Report) “*an unnatural demand upon the Treasury in England.*” (C.) This at least is certain, that it is a demand which had been long known to the Court to exist, and which, according to the natural course of human affairs, ought to have been expected.

It may also be added that, if it had not been for the measures which were so precipitately pursued for the purpose of inducing the holders of the Optional Securities to relinquish the right of transferring them to England, the pro-

(C.) Upon a former occasion the measure of the Optional Loans, above discussed, appears to have been condemned by the Honourable Gentleman alluded to in note A, (page 10) upon grounds of a very different nature from those assumed in the Report now under consideration. That Honourable Gentleman is reported to have stated, in his place in the House of Commons, in the debate upon the India Budget (vide Parliamentary Debates, 15th July, 1806,) “that they (the Optional Loans) were a dangerous instrument in the hands of any Government, by enabling it to undertake schemes of conquest and ambition, unsuitable to the intrinsic powers of our Indian Government, and our true line of policy.” This intended censure is, however, in reality, decisive evidence of the merit of the measure in question, even in the view of the Honourable Gentleman, by whom it was thus arraigned. For it were vain to contend, that the measure might be a dangerous instrument in the hands of a weak or a wicked Government, without admitting also the converse of the proposition,—that the measure was well calculated to be an useful and salutary instrument in the hands of any Government competent to exercise the many other important functions, necessarily confided to its charge, with safety and advantage to the public interests.

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bability is, that there would not have been any desire to transfer them in so large a proportion at once as to occasion any inconvenient pressure upon the Treasury in England, which is, at present, so much the subject of complaint.

Upon these Views of the several financial measures of the government abroad, and of the various, complicated and pressing embarrassments under which those measures were concerted and executed, it is conceived that it cannot fail to be evident to every man of an impartial and ingenuous mind, that those measures possessed no small degree of merit. It is hoped, therefore, that these Observations will tend to dispel some of the delusions which have been circulated with too much success, in regard to the character of those measures. That those measures were eminently successful cannot be doubted. The only remaining consideration with respect to them may, therefore, be comprised in this short Question; Whether, under all the circumstances of the case, those measures were, or were not, the best and the most expedient which could have been devised, with an equal degree of certainty, of securing the same beneficial results?

It would seem, indeed, scarcely possible that any impartial person should

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hesitate to answer this Question in the Affirmative. If, however, there should be persons who still conceive themselves justified in maintaining the Negative of the Proposition, it is to be hoped that they will candidly and distinctly state in what particular respects it is, that the merits of the measures in question can be regarded as incompletely established.

END OF THE FIRST PART.

The remaining Observations, which appear to be material for the better elucidation of the several points, comprehended in the second division of the subject matter of the Report, will be speedily completed, and published in Part II.

